COYOTE VALLEY SPECIFIC PLAN

A. Fisher Creek

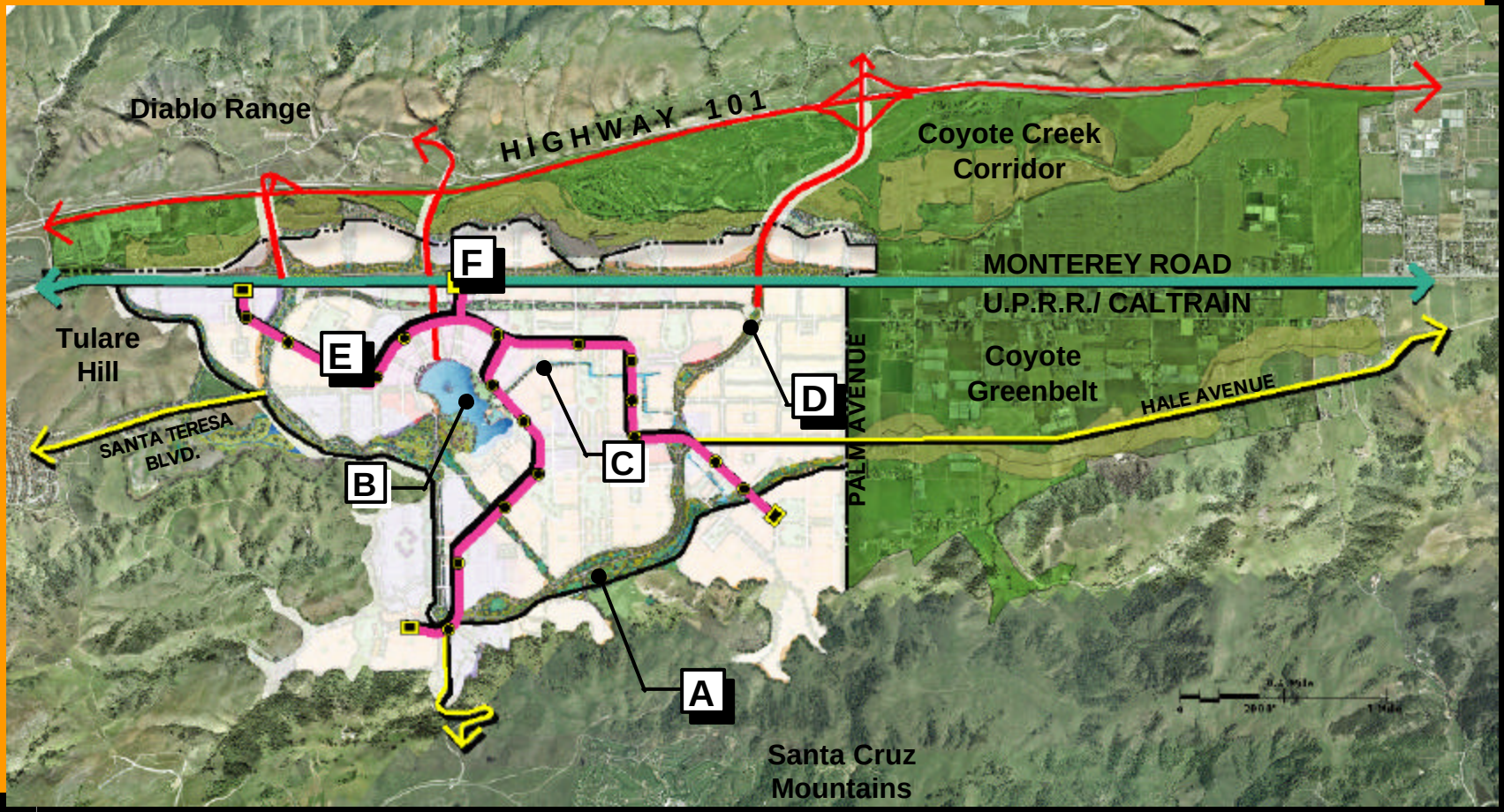
B. Coyote Lake

C. Canal Park

D. Parkway

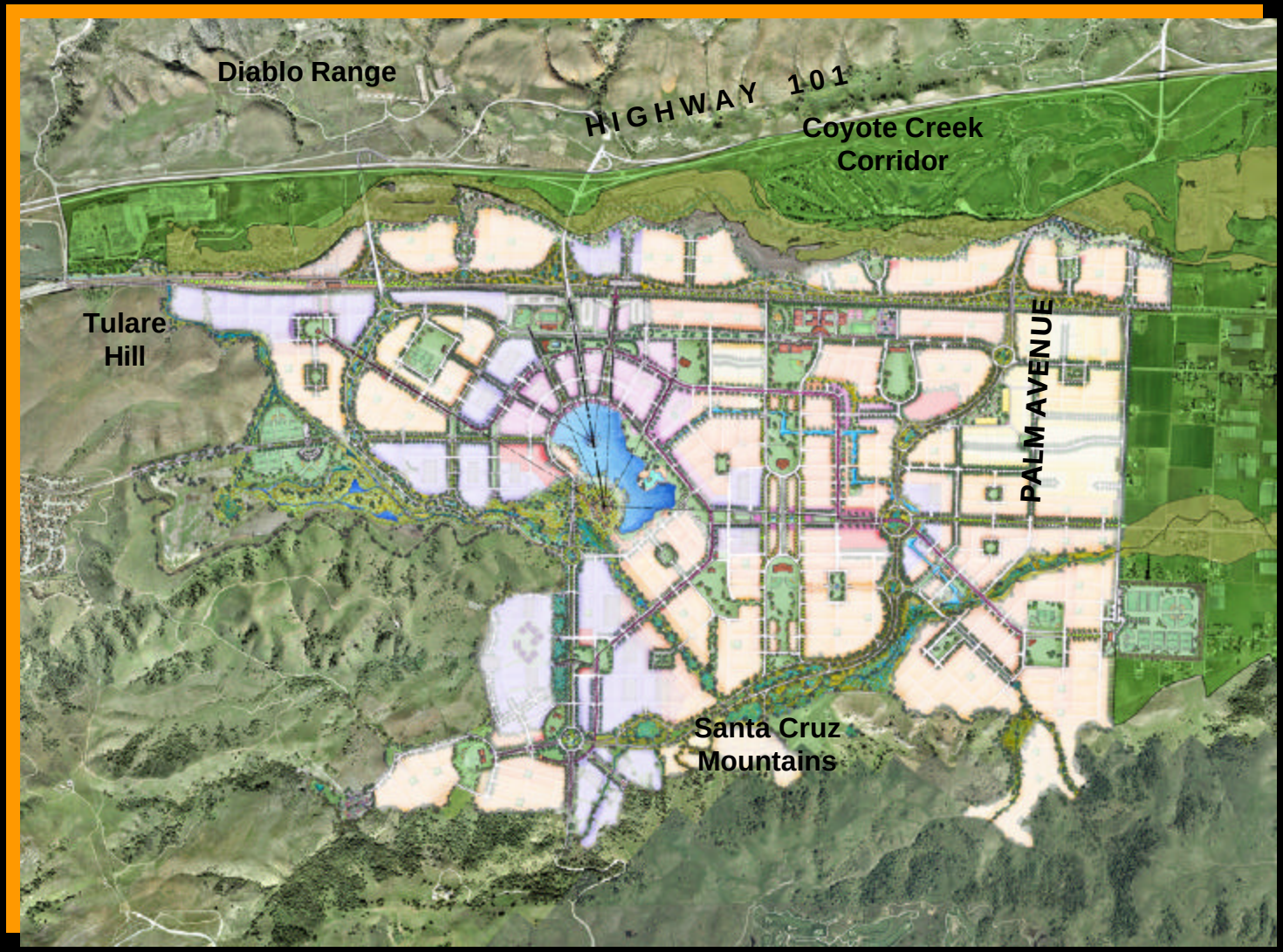
E. In Village Transit

F. Caltrain



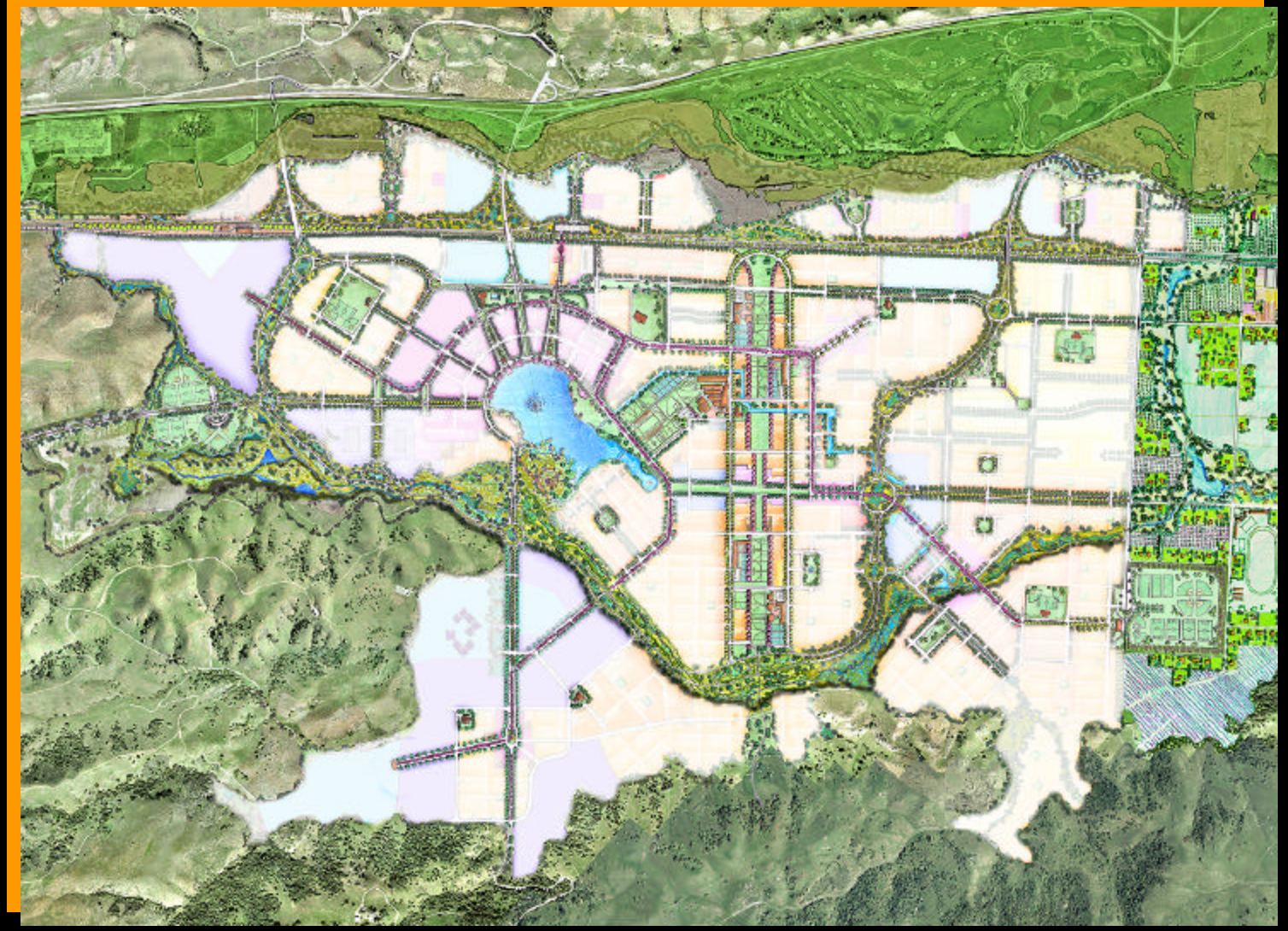
COYOTE VALLEY SPECIFIC PLAN

PUBLIC REALM



COYOTE VALLEY SPECIFIC PLAN

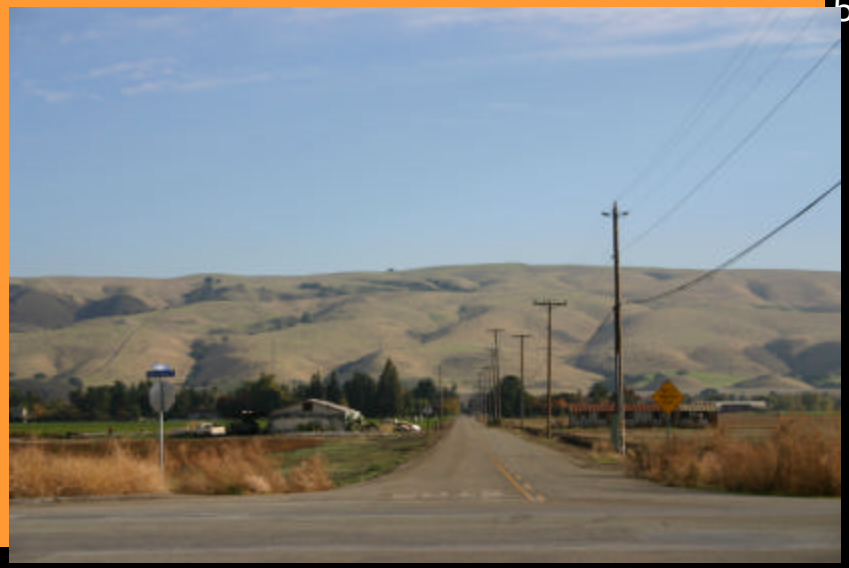
PUBLIC REALM Modified



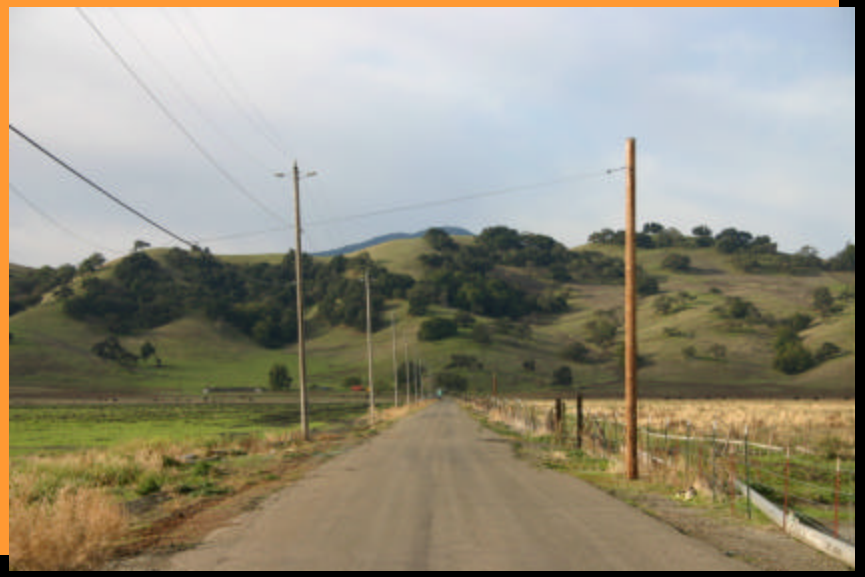
SCHOOLS AND CENTRAL GREEN

COYOTE VALLEY SPECIFIC PLAN

Existing Views



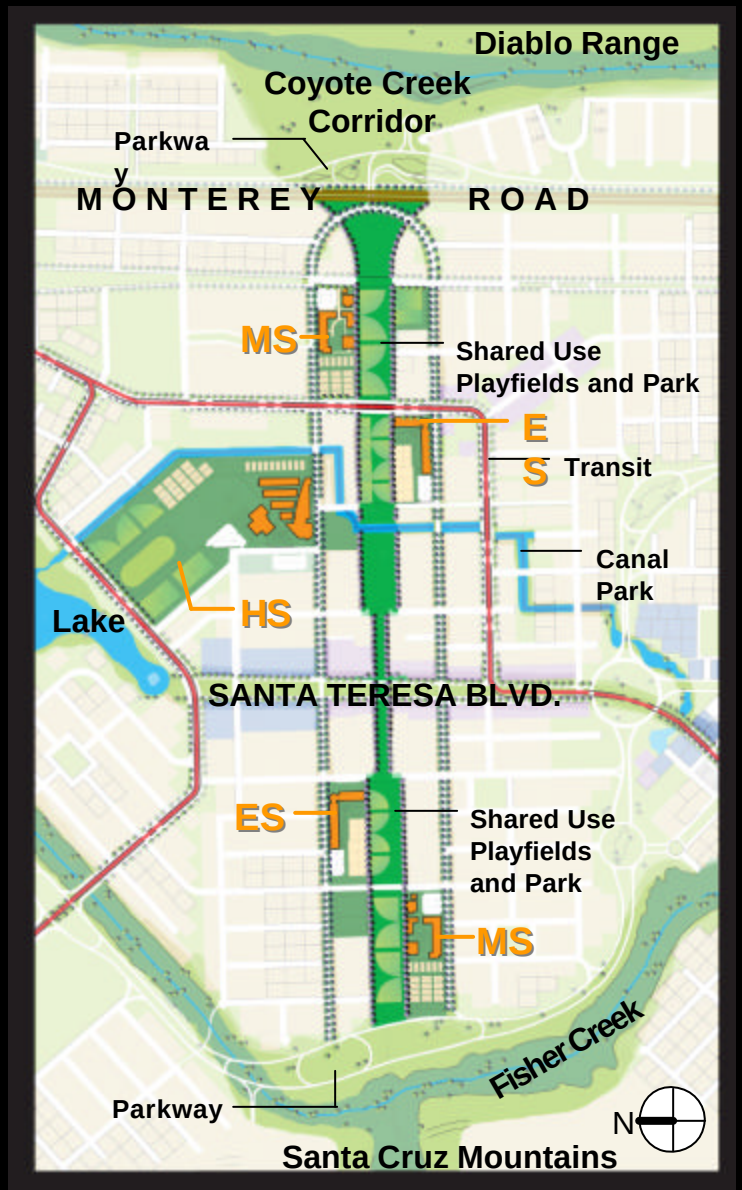
Looking East: Diablo Range

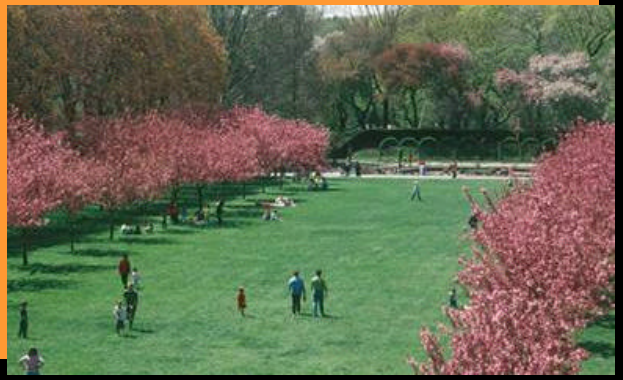


Looking West: Santa Cruz Mountains

COYOTE VALLEY SPECIFIC PLAN

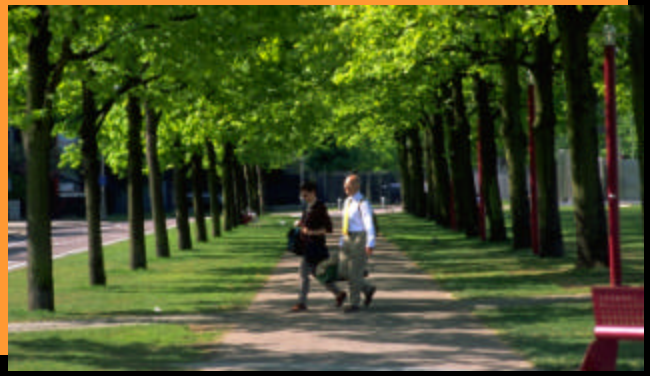
Central Commons: Illustrative Plan





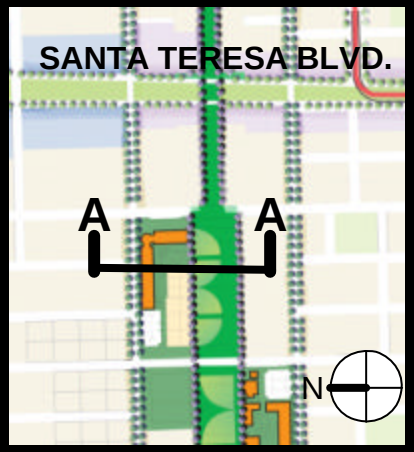
COYOTE VALLEY SPECIFIC PLAN

Central Commons: Circulation Diagram



COYOTE VALLEY SPECIFIC PLAN

Central Commons: Section A-A



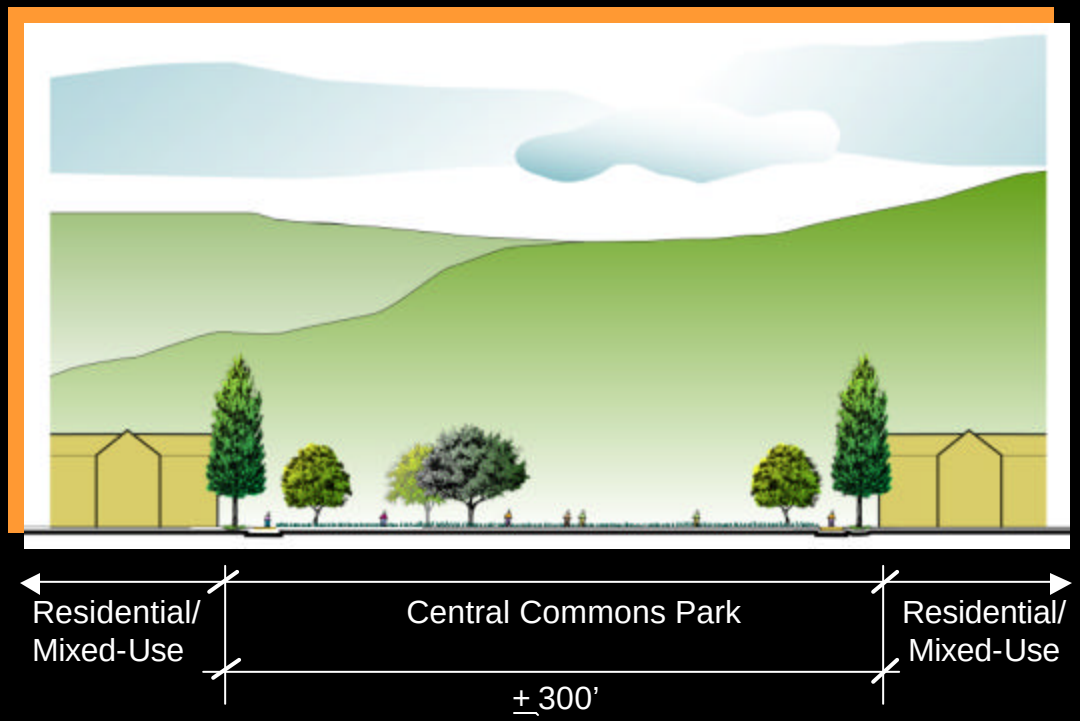
School Building | Courtyard | Hard Court Play Fields | ± 300’

Residential | Street | School and School Grounds | Central Commons | Residential

School Play Fields and Park

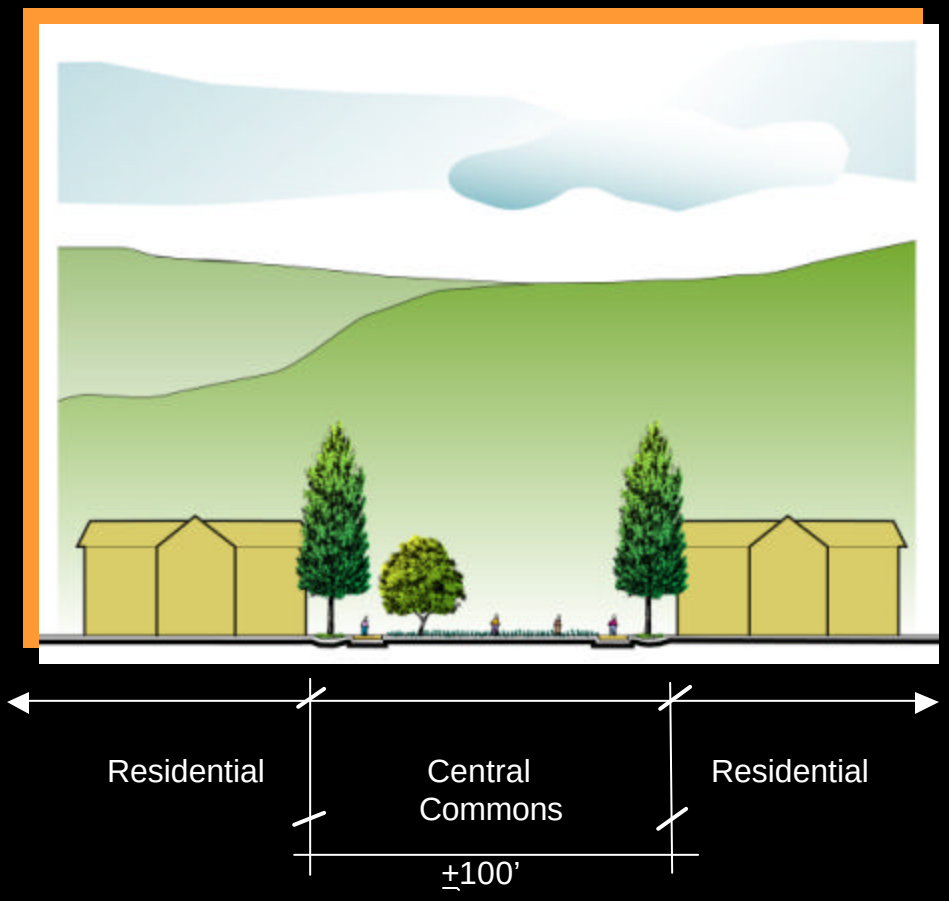
COYOTE VALLEY SPECIFIC PLAN

Central Commons: Section B-B



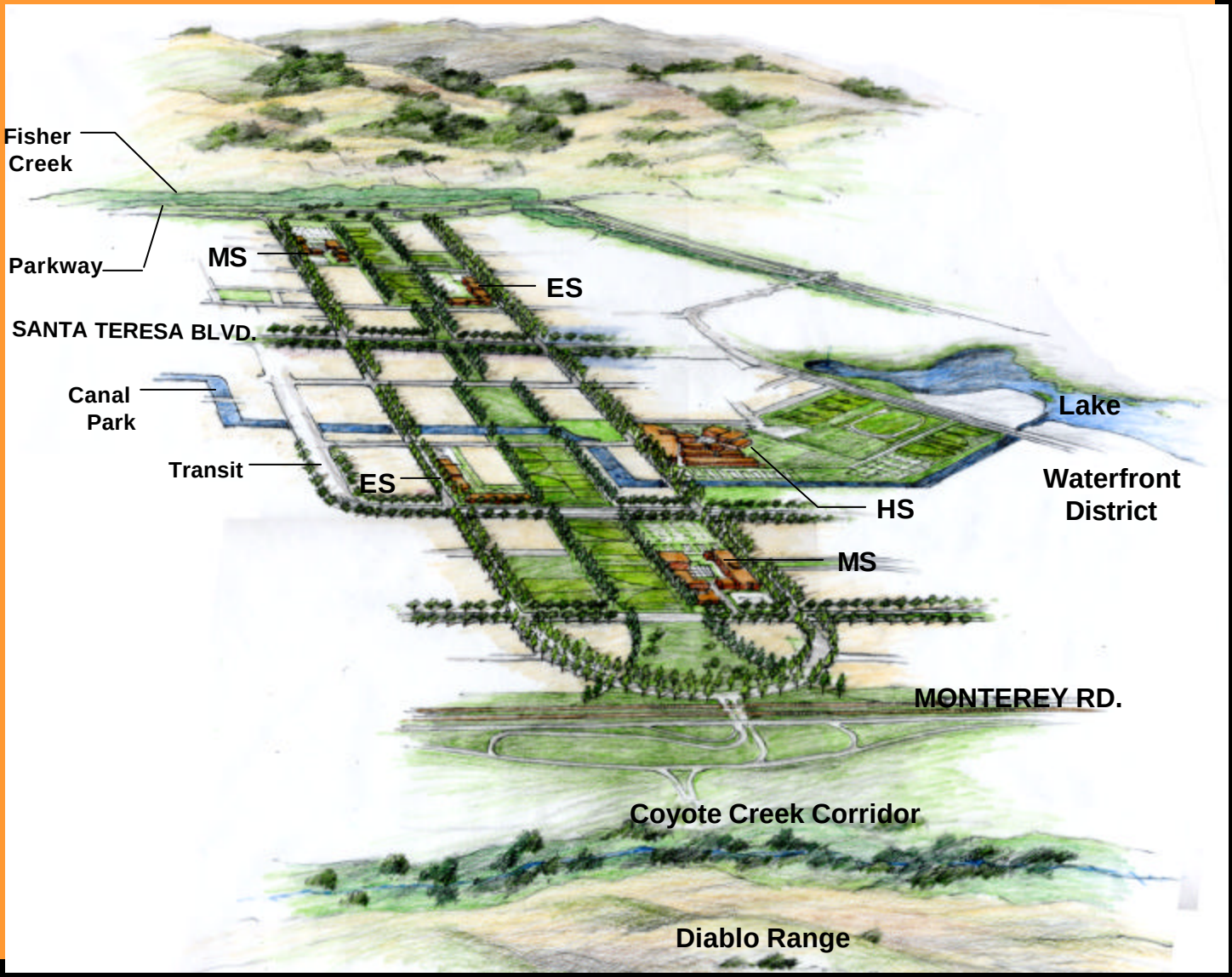
COYOTE VALLEY SPECIFIC PLAN

Central Commons: Section C-C



COYOTE VALLEY SPECIFIC PLAN

Central Commons: Perspective



SCHOOL PLANNING OPTIONS

GOAL #1 – First Class Schools to Enhance Coyote Valley Community

GOAL #2 – Efficient Use of Land to Optimize Project Feasibility

- Fixed Assumptions
  1. Students per Classroom
  2. Square Footage per Student
  3. Playfield/Hardcourt Area per Student
- Flexible Assumptions
  1. Students per School
  2. Single-Level vs. Multi-Level Schools
  3. Joint Use of Playfields/Hardcourts
  4. Rooftop Hardcourt Areas
  5. Structured, Reduced, or Shared Parking

SCHOOL PLANNING STRATEGIES

		Smaller	Larger
▪ Students per School – (Number of Schools)	Elem	600 (8)	800 (6)
	Mid	800 (3)	1,200 (2)
	High	1,500 (2)	3,000 (1)
▪ Building Stories --	Elem	1	2 or 3
	Mid	1	2 or 3
	High	1	3
▪ Joint Use Fields --		None	up to 80%
▪ Structured Parking --		None	up to 100%
▪ Reduced or Shared Parking --		None	up to 100%

COYOTE VALLEY SPECIFIC PLAN

STUDENTS PER SCHOOL

		Smaller	Larger
Assumptions – (Students and Schools)	Elem	600 (8)	800 (6)
	Mid	800 (3)	1,200 (2)
	High	1,500 (2)	3,000 (1)

Larger School Results –

Land Consumption -- save 20 acres (10%)

Construction Costs -- lower due to economies of scale

Operations and Maintenance -- lower due to economies of scale

Facilities and Programs—More options and more specialty facilities amortized over larger student body

Phasing -- more difficult, due to larger increments of development

BUILDING STORIES

Examples

COYOTE VALLEY SPECIFIC PLAN

BUILDING STORIES

		Single Story	Multi-story
Assumptions –	Elem	1	2
	Mid	1	2-3
	High	1	3

Multi-story Strategy Results –

Land Consumption -- save 11 acres (5%)

Construction Costs – comparable to Standard

Operations and Maintenance – higher due to elevators

Phasing – comparable to Standard

Other -- primary grades (K-2 or K-3) must be on ground floor

JOINT USE FIELDS

Examples

COYOTE VALLEY SPECIFIC PLAN

JOINT USE FIELDS

		Stand alone	Share with Parks
Assumptions –	Elem	None	80%
	Mid	None	80%
	High	None	80%

"Efficient" Strategy Results –

Land Consumption -- save 80 acres (40%)

Construction Costs – possibly lower if shared with City Parks

Operations and Maintenance – possibly lower if shared with City Parks

Phasing – departmental coordination required may cause delays

Other -- City Parks may maintain at higher standards than Schools

ROOFTOP HARDCOURTS

Examples

COYOTE VALLEY SPECIFIC PLAN

ROOFTOP HARDCOURTS

		Surface	Rooftop
Assumptions –	Elem	60%	40%
	Mid	All Surface	None
	High	All Surface	None

"Efficient" Strategy Results –

Land Consumption -- save 3 acres (1.5%)

Construction Costs – incrfeased (reinforced roof vs. asphalt)

Operations and Maintenance – higher than ground level courts

Phasing – comparable to Standard

Other -- primary grades can't use rooftops, must be on ground floor

STRUCTURED PARKING

Examples

COYOTE VALLEY SPECIFIC PLAN

STRUCTURED PARKING

		Standard	Efficient
Assumptions –	Elem	None	100%
	Mid	None	100%
	High	None	100%

"Efficient" Strategy Results –

Land Consumption -- save 15 acres (7.5%)

Construction Costs – higher than surface parking

Operations and Maintenance – higher than surface parking

Phasing – comparable to Standard

COYOTE VALLEY SPECIFIC PLAN

SHARED OR REDUCED PARKING

		Standard	Efficient
Assumptions –	Elem	None	50%
	Mid	None	50%
	High	None	50%

"Efficient" Strategy Results –

Land Consumption -- save 11 acres (5%)

Construction Costs – lower than Standard

Operations and Maintenance – lower than Standard

Phasing – may need transit/ped/bike routes in place before reduction

Other – potential conflicts with certain uses at peak hours

School Tour

COYOTE VALLEY SPECIFIC PLAN

Empire Elementary School

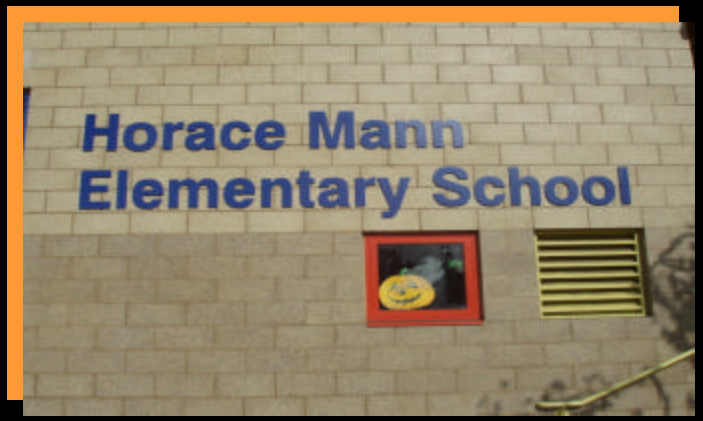
3.30 Acres; Shared Park, 26.3 Acres;

624 Student Capacity; 26 Classrooms

COYOTE VALLEY SPECIFIC PLAN

COYOTE VALLEY SPECIFIC PLAN

Horace Mann



COYOTE VALLEY SPECIFIC PLAN

COYOTE VALLEY SPECIFIC PLAN

SCHOOL ISSUES

Galarza Elementary School

7.33 Acres; 912 Student Capacity,
38 Classrooms

COYOTE VALLEY SPECIFIC PLAN

School Concepts

- Fixed Assumptions

1. 20-Students per Elementary and Middle School Classroom; 25-students per High School Classroom
2. 960 sq.ft. per classroom
3. Playfield/Hard court Area per: California Department of Education; Guide to School Site Analysis and Development (2000 Edition)

Schematic Elementary School Layout

5.40 Acres - School Site

5.10 Acres - Shared Fields

10.50 Acres - Total

COYOTE VALLEY SPECIFIC PLAN

Elementary School

	California State Standard	Coyote Valley Specific Plan
Physical Education	7.5 acres	2.40 acres
Shared Fields		5.10 acres
Buildings and Grounds	3.6 acres	1.8 acres
Parking and Roads	0.8 acres	0.7 acres
Kindergarten	0.5 acres	0.5 acres
TOTAL	12.4 acres	10.50 acres

Schematic Middle School Layout

6.81 Acre – School Site

8.53 Acres – Shared Fields

15.34 Acres - Total

Middle School

	California State Standard	Coyote Valley Specific Plan
Physical Education	10.7 acres	2.83 acres
Shared Fields		8.53 acres
Buildings and Grounds	6.6 acres	3.92 acres
Parking and Roads	0.8 acres	0.72 acres
TOTAL	18.1 acres	15.34 acres

High School Schematic

41.04 acres total

COYOTE VALLEY SPECIFIC PLAN

SCHOOL ISSUES

High School

	California State Standard	Coyote Valley Specific Plan
Physical Education	29.19 acres	29.19 acres
Buildings and Grounds	20.30 acres	5.55 acres
Parking and Roads	16.3 acres	1.92 acres
Shared Parking		4.37 acres
	65.79 acres	41.04 acres

MULTI-STORIES

Galarza Elementary School

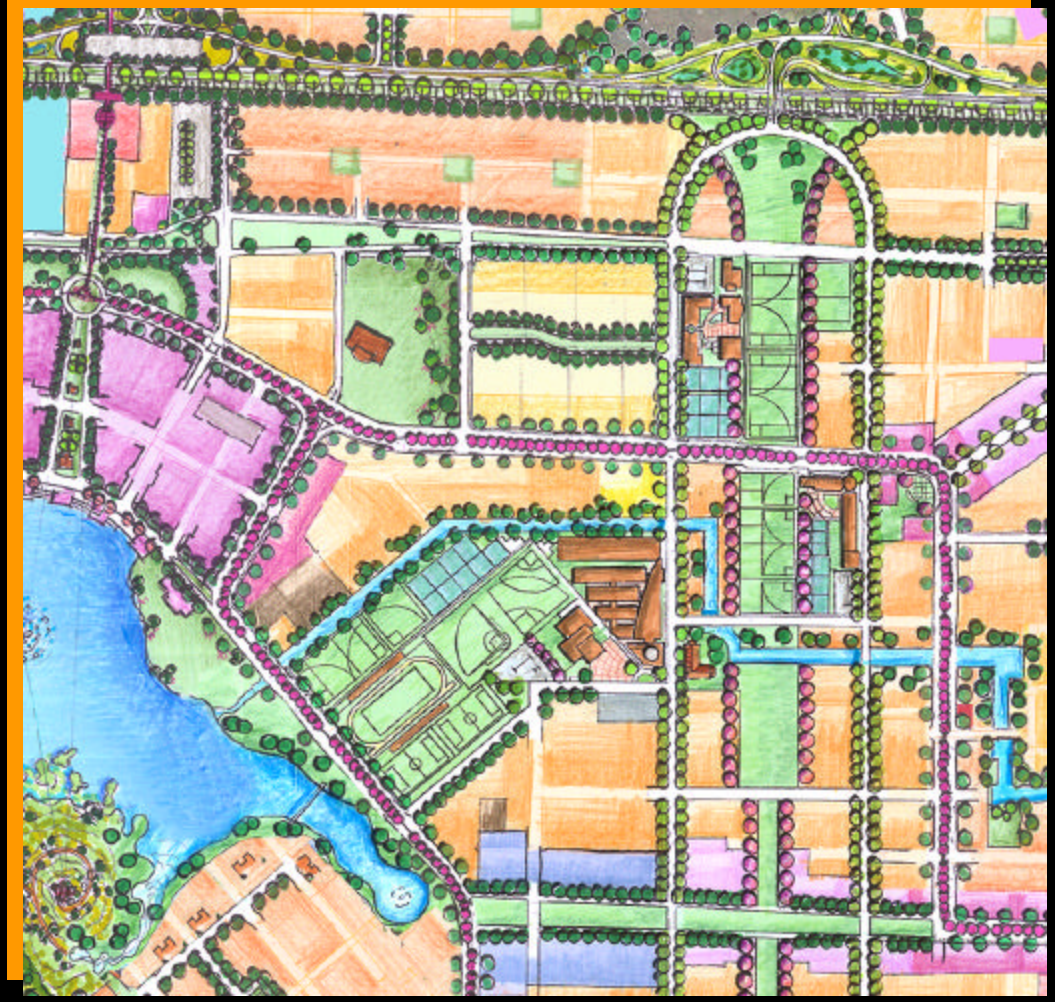
Horace Mann

Empire Elementary School

JOINT USE FIELDS

Empire Elementary School

Schools support the Central Green



LAND USE:

WORKPLACE ALTERNATIVES

COYOTE VALLEY SPECIFIC PLAN

LAND USE PRINCIPLES AND ASSUMPTIONS

1 - Develop appropriate buffering land use & maintain adequate distance between Metcalf Power Plant & any residential.

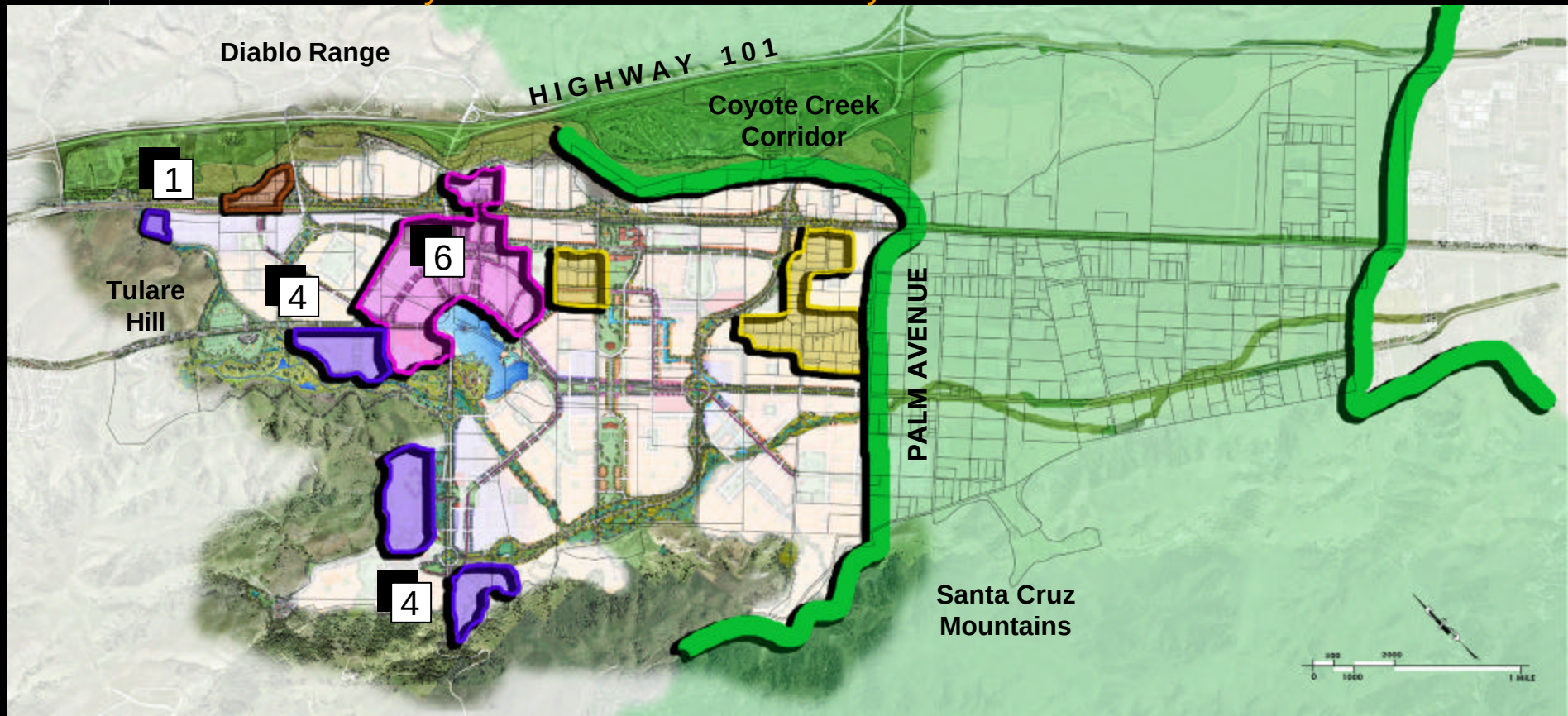
2 - Maintain the Hamlet as a unique historic neighborhood.

3 - Maintain a distinct rural break between San Jose & Morgan Hill.

4 - Maintain existing industry driving workplace users opportunities.

5 - Preserve, protect & transition around existing residential neighborhoods.

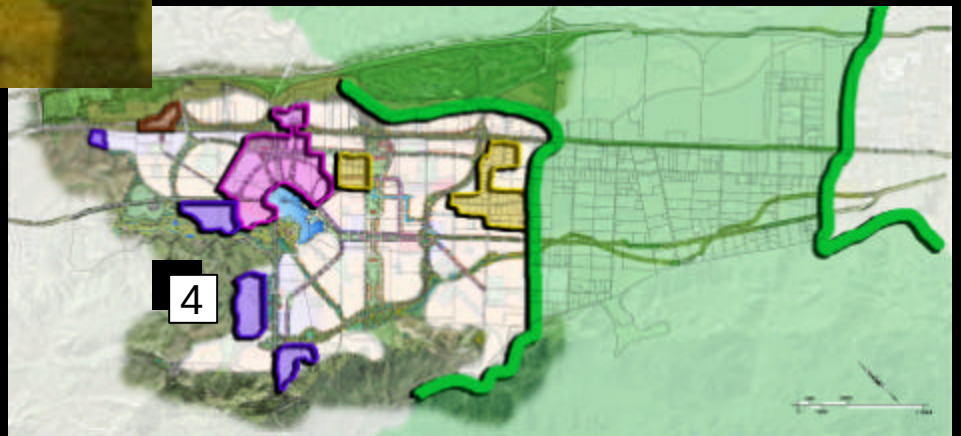
6 - Greatest intensity & mix of uses at community core.



COYOTE VALLEY SPECIFIC PLAN

4 - Maintain existing industry driving workplace users opportunities.

IBM Corporation



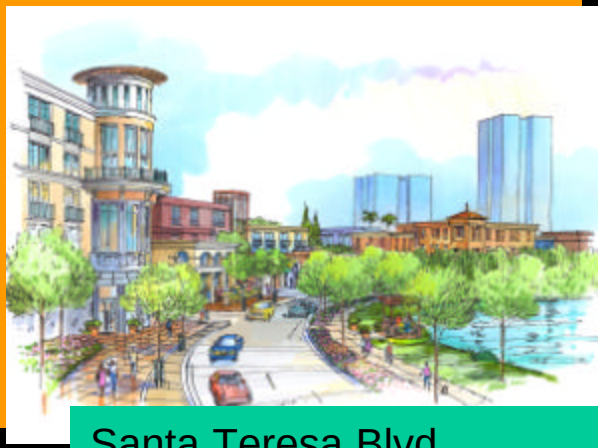
COYOTE VALLEY SPECIFIC PLAN

LAND USE PRINCIPLES AND ASSUMPTIONS

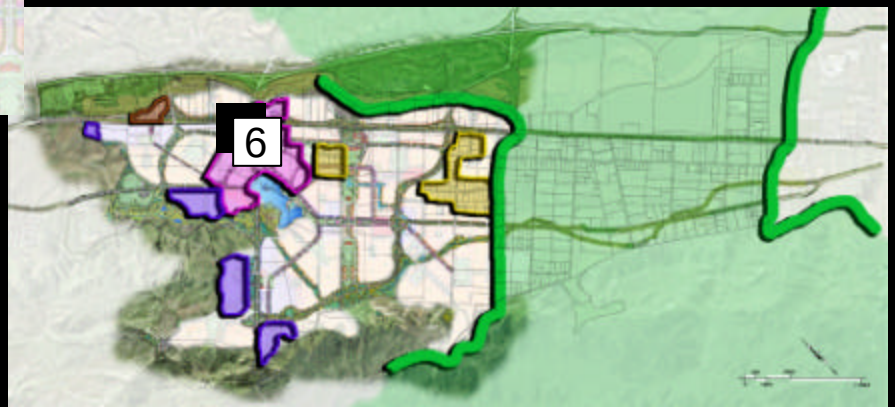
6 - Greatest intensity & mix of uses at community core.

View from Bailey Ave.

Design studio consensus



Santa Teresa Blvd. around the lake



COYOTE VALLEY SPECIFIC PLAN

LAND USE PROPOSALS

7 - Lower intensity workplace facilities along railroad.

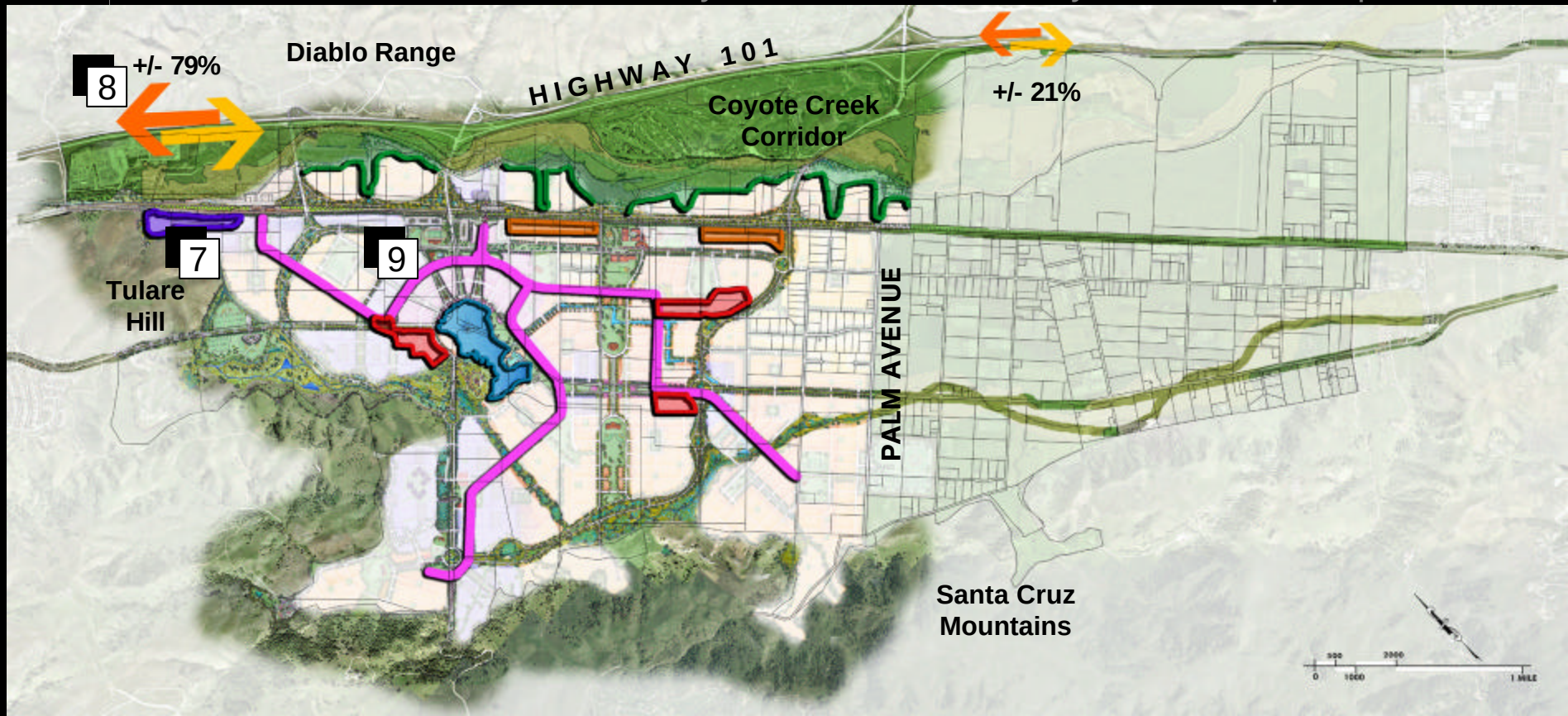
8 - Most (79%) of non-local workers will live to the north, so workplaces should remain primarily in the north.

9 - Uses should intensify along fixed guideway transit.

10 - Local retail should be convenient to both transit & auto.

11 - Higher density residential can use structured parking to buffer railroad.

12 - Residential uses east of Monterey Road can orient to Coyote Creek open space.



COYOTE VALLEY SPECIFIC PLAN

LAND USE PROPOSALS

9 - Uses should intensify along fixed guideway transit.

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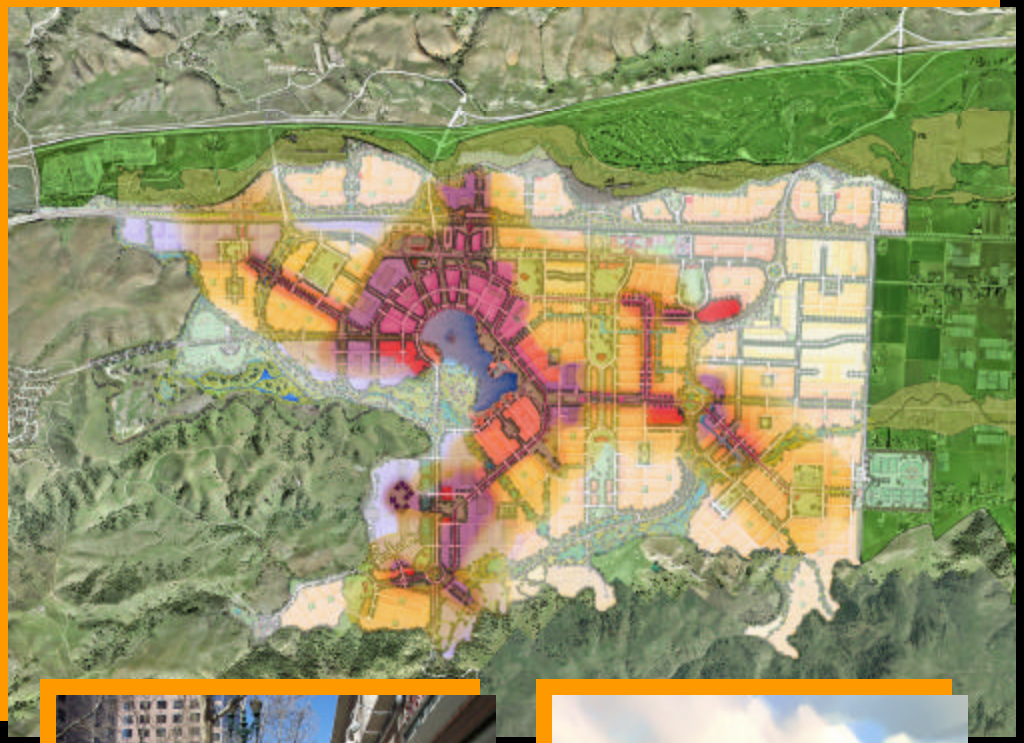
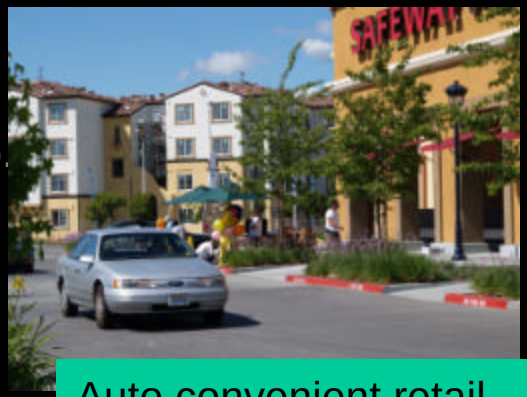
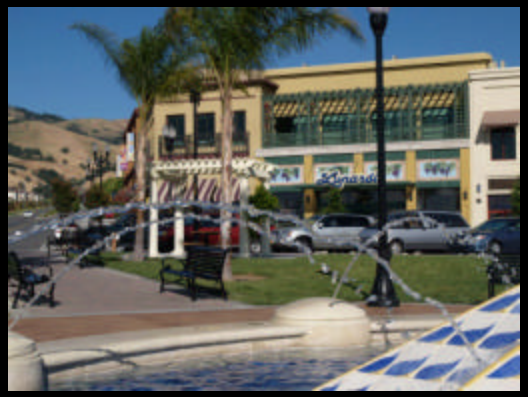




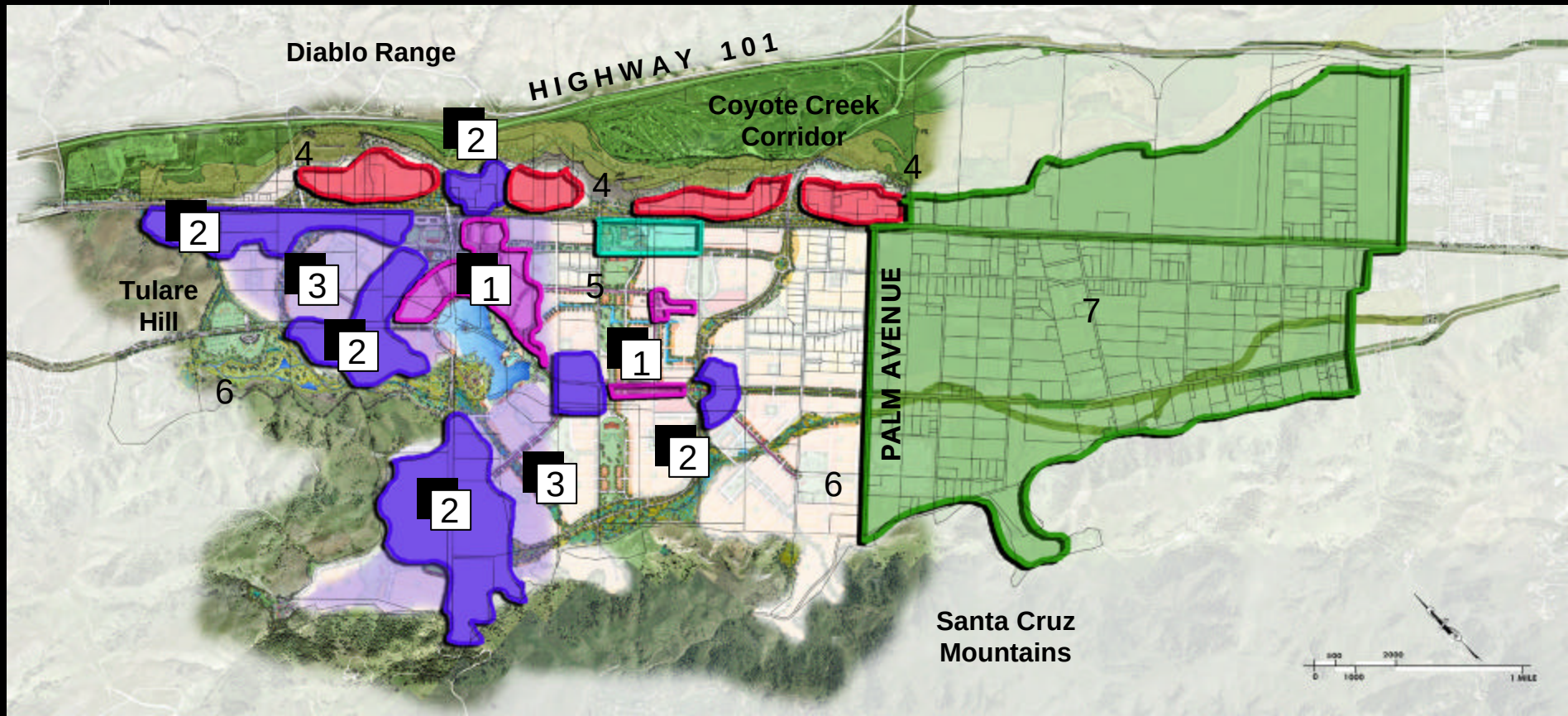
Auto convenient retail



COYOTE VALLEY SPECIFIC PLAN

LAND USE ISSUES

1 - A substantial component of industry driving jobs should be accommodated in mixed use areas.
2 - Maintain some traditional corporate campus opportunities.
3 - Intensify workplace by using structured parking to allow a greater proportion of family housing
4 - Provide options for large format & big $ (i.e. auto) retail sales tax generators along Monterey Road.
5 - Locate high school away from railroad & consider possibility of 2 smaller high schools.
6 - Locate regional play fields in greenbelt and / or Laguna Seca detention area.
7 - Acquisition, agricultural viability, environmental / land value enhancement.

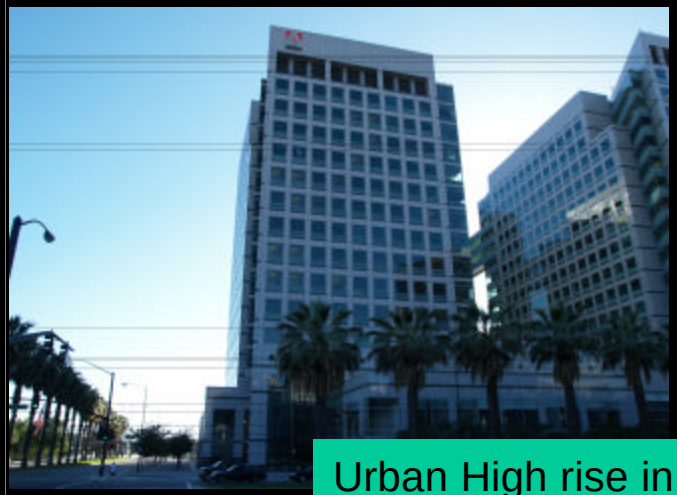


COYOTE VALLEY SPECIFIC PLAN

LAND USE ISSUES

1 - A substantial component of industry driving jobs should be accommodated in mixed use areas & a small proportion even in urban high rise.

2 - Maintain some traditional corporate campus opportunities.



Urban High rise in core

Within Mixed Use

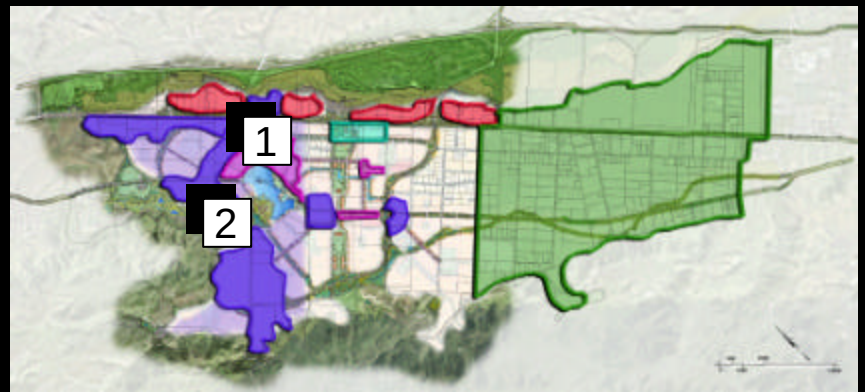
ONE-THIRD OF EMPLOYMENT IS IN SMALL FIRMS; 55% IN MEDIUM FIRMS, 15% IN LARGE FIRMS

	Small		Medium		Large
	<10	10–35	35–100	100–1000	1000+
Share of Workers	12%	18%	21%	34%	15%
Share of Companies	70%	19%	7%	3%	1%
Number of Workers	43,810	63,580	74,960	120,290	52,930
Number of Companies	13,070	3,440	1,320	540	20

Distribution of Employment And Businesses by Company Size

SOURCE: EDD 2002 ES202

Corporate Campus Typology



COYOTE VALLEY SPECIFIC PLAN

LAND USE ISSUES

3 - Intensify workplace by using structured parking to allow a greater proportion of family housing

COYOTE VALLEY SPECIFIC PLAN

LAND USE ISSUES

3 - Intensify workplace by using structured parking to allow a greater proportion of family housing

COYOTE VALLEY SPECIFIC PLAN

WORKSPACE-RELATED GOALS AND STRATEGIES

- GOAL – Minimum of 50,000 Jobs plus 25,000 homes
  - Strategy – Achieve relatively high average workspace density
- GOAL – Mix of densities and business types
  - Strategy – Provide broad range of buildings/environments
- GOAL – Financially feasible plan for private development
  - Strategy – Provide flexibility for near-term market opportunities
- GOAL – Triggers linking housing development to jobs
  - Strategy – Attract near-term jobs to allow housing that can support up-front financial burden

COYOTE VALLEY SPECIFIC PLAN

CVSP WORKSPACE PLANNING CHALLENGES

- Poor Near-Term Market Conditions –

  200,000+ Silicon Valley jobs lost from 2000-present

  60 million+ square feet of vacant space in Silicon Valley

  Lease rates have fallen, may not meet feasibility thresholds

  Speculative building much less likely than build-to-suit

- Competition with Other Employment Areas – **Examples:**

  Downtown – available buildings, urban amenities, synergies

  North San Jose/North First Street – available buildings, synergies, potential for intensification

  Edenvale -- available buildings/land, bioscience cluster

- Current Coyote Valley Conditions –

  Lacks infrastructure, urban amenities, business synergies

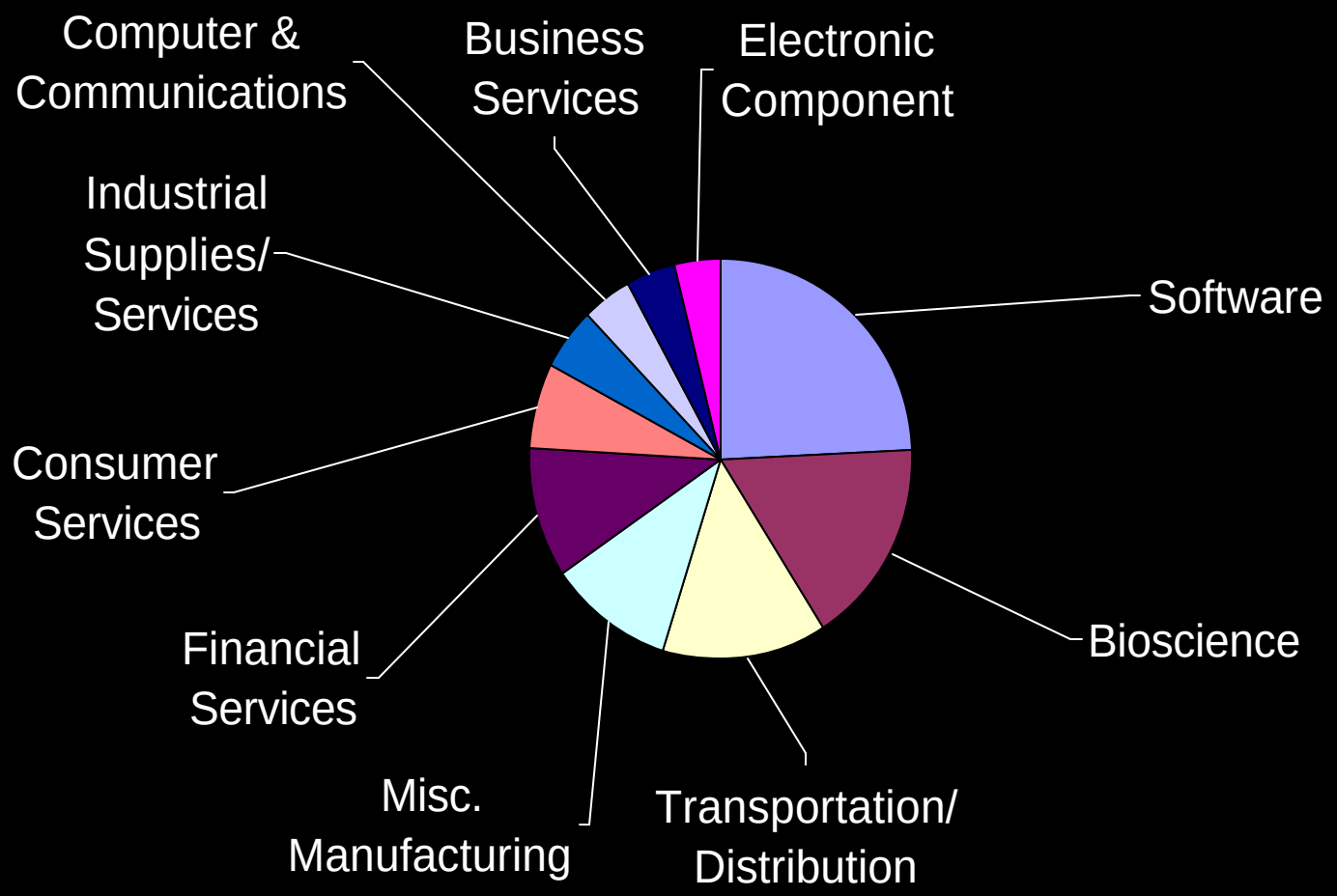
CVSP WORKSPACE PLANNING OPPORTUNITIES

- Current and Future Coyote Valley Attributes –
  - Natural beauty and open space amenities
  - Vibrant urban environment
  - Ample housing within Coyote Valley
  - Transportation access and service
- Sites for Large Companies –
  - Few large campus sites available in interior Bay Area
  - Past and present interest among large companies
- San Jose Employment Trends –
  - Largest employment base among Silicon Valley cities
  - San Jose expected to gain 120,000 - 140,000 jobs through 2020
  - Increasing densities of buildings and jobs

COYOTE VALLEY SPECIFIC PLAN

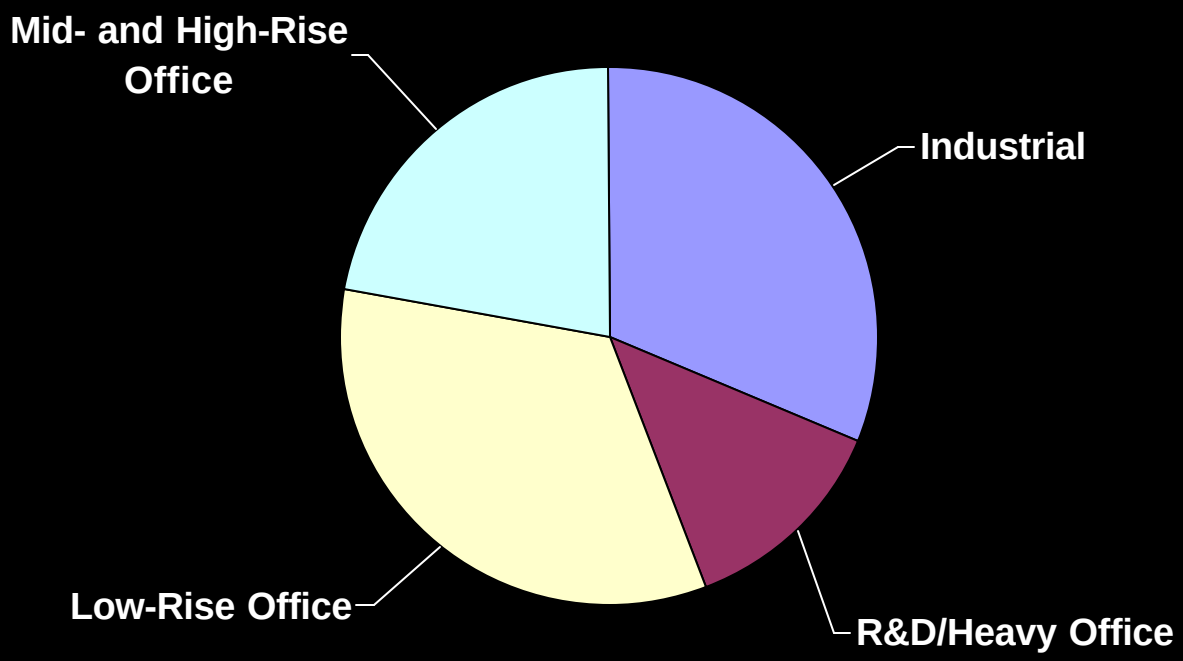
SAN JOSE WORKSPACE DEMAND BY KEY INDUSTRY THROUGH 2020

Source: San Jose Economic Development; EPS



SAN JOSE WORKSPACE DEMAND BY BUILDING TYPE THROUGH 2020

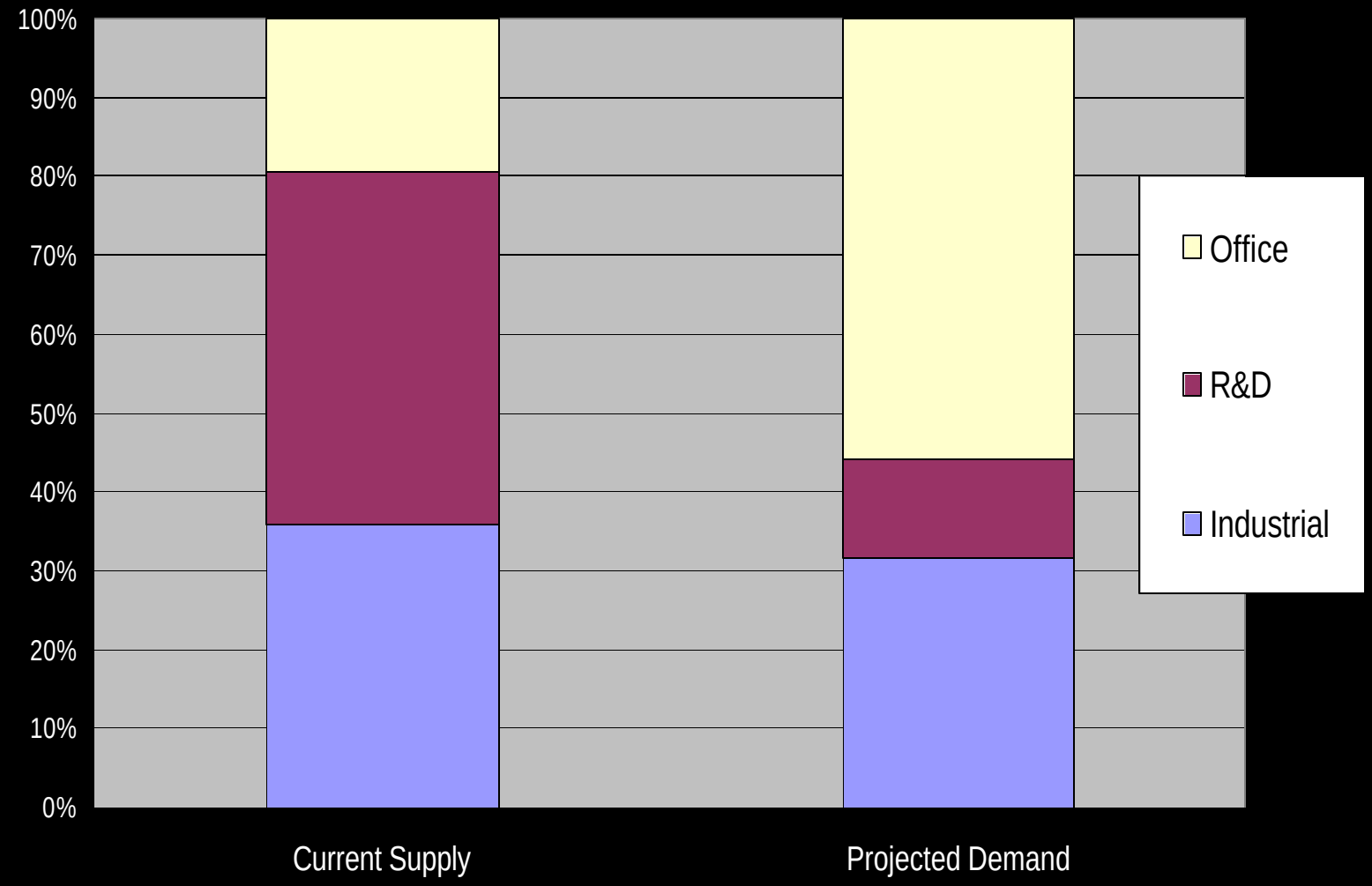
Source: San Jose Economic Development; EPS



COYOTE VALLEY SPECIFIC PLAN

WORKSPACE CURRENT SUPPLY VS. DEMAND THROUGH 2020

Source: BT Commercial; San Jose Economic Development; EPS



OPTIMIZING COYOTE VALLEY'S COMPETITIVE POSITION

- Capture broadest possible market --
  - Pace of development aided by providing wide mix
  - Allow for low-scale development as well as taller buildings
  - Provide for multi-building tenants and multi-tenant buildings
  - Do not preclude industrial users altogether
- Match building types with locations --
  - Some office/R&D in campus settings
  - Much small/multi-tenant office in mixed-use/urban environs
  - Industrial on lowest-value sites or where buffering allows
  - Provide adequate access (bike/ped, transit, parkway, freeway)

COYOTE VALLEY SPECIFIC PLAN

OPTIMIZING COYOTE VALLEY'S COMPETITIVE POSITION

- Create Workspace Environments that Add Value – Distribute near:

Traffic routes	Retail/services	Water features
Open space	Transit	Housing

- Provide for Realistic Phasing Plan –

  Goal of 50,000 jobs likely to take several decades

  Low-rise and large-scale uses most likely in near-term

  Mid-rise and high-rise in increasing demand over long-term

  Feasibility of structured parking will increase over long-term

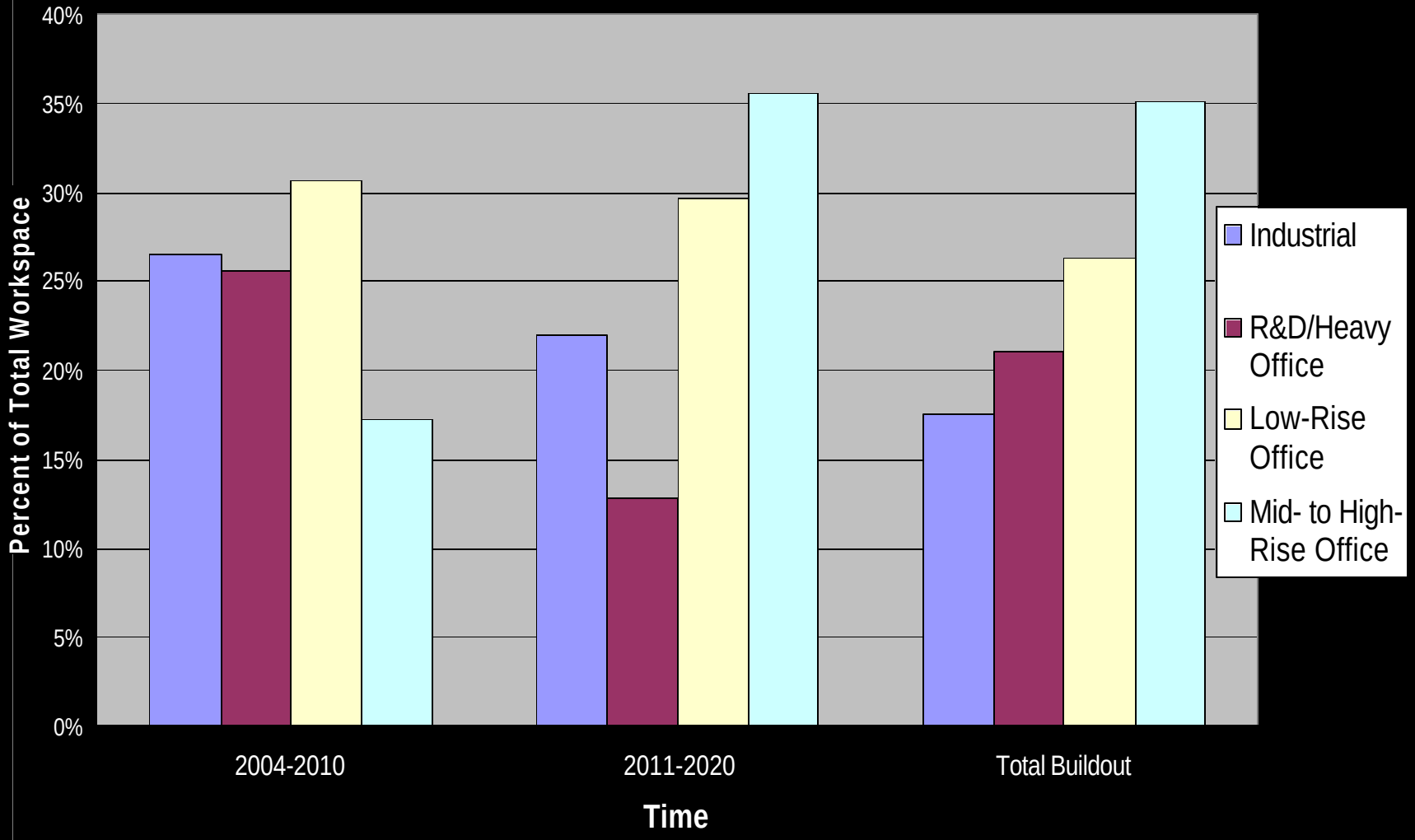
  Create value-adding features as early as possible

  Allow flexibility for changing conditions

COYOTE VALLEY SPECIFIC PLAN

CVSP WORKSPACE DISTRIBUTION RECOMMENDATIONS BY TIME

Source: EPS



COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY

The New Workplace

EFFICIENCY ASSUMPTIONS BY BUILDING TYPE (2000-2020)

	INDUSTRIAL AND WAREHOUSE	R&D/ "HEAVY"	LOW-RISE OFFICE	MID/ HIGH-RISE OFFICE	RETAIL	INSTITUTIONAL/ OFFICE
Square Feet Per Employee						
2001-2010	500	350	300	300	500	350
2011-2020	500	300	250	250	500	350
Floor-to-Area Ratio						
2001-2010	.5	.35	.5	.8	.25	.25
2011-2000	.5	.45	.55	1.2	.35	.35

SOURCE: Strategic Economics, Whitney and Whitney, City of San Jose

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY

The Base of the Next Wave

ONE-THIRD OF EMPLOYMENT IS IN SMALL FIRMS; 55% IN MEDIUM FIRMS, 15% IN LARGE FIRMS

	Small		Medium		Large
	<10	10–35	35–100	100–1000	1000+
Share of Workers	12%	18%	21%	34%	15%
Share of Companies	70%	19%	7%	3%	1%
Number of Workers	43,810	63,580	74,960	120,290	52,930
Number of Companies	13,070	3,440	1,320	540	20

Distribution of Employment And Businesses by Company Size

SOURCE: EDD 2002 ES202

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY The Base of the Next Wave

AVERAGE FIRM SIZE FOR SAN JOSE INDUSTRIES			
Computer & Communications	278	Business Services	19
Semiconductors	93	Miscellaneous Manufacturing	17
Electronic Components	79	Software	17
Corporate Offices	75	Health Care	14
Bioscience	72	Retail/Consumer Services	14
Visitor	48	Bldg/Construction/Real Estate	11
Transportation/Distribution	22	Innovation Services	10
Industrial Supplies and Services	22	Financial Services	10

SOURCE: EDD ES202, 2002

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE DISTRIBUTION

Workplace Distribution and acreage-all firms (2003 Economic Development Strategy post 2010 sf/job & FAR)							
Jobs	45000						
	% of workplace	Jobs/sf	% Of Jobs	# of jobs	Building Area	FAR	Land Area Acres)
Industrial	18%	500	10.3%	4,629	2,314,286	0.5	106.3
R&D	21%	300	20.0%	9,000	2,700,000	0.45	137.7
Low Rise Office	26%	250	29.7%	13,371	3,342,857	0.55	139.5
Mid-High Rise office	35%	250	40.0%	18,000	4,500,000	1.2	86.1
Totals	100%		100%	45,000	12,857,143		470

The New Workplace

Workplace Requirements Are Changing: Cleaner, Vertical, Smaller Scale

Structural Shifts in the economy have been changing the kind of work that takes place in Driving Industry companies and the kind of work environments that they want in the future.

But, It is Important to Have a Range of Land/Building Options Available, and to Preserve the Integrity of Certain Unique Empoyment Subareas.

Despite opportunities to recycle and intensify already-developed sites, some companies will want the option of developing larger campuses on greenfield sites (e.g. North Coyote Valley). It is important to retain vacant lands for this opportunity, which San Jose offers uniquely among Silicon Valley cities.

Vision and Expected Outcome 3:

The line between North and Central could be erased to allow for mix-use throughout as long as 25,000 housing units in Central and 50,000 jobs in North remain as a base.

Then, jobs can be added in Central Coyote and housing in North Coyote to achieve mixed-use or develop a *property owner agreement* to “trade” jobs and housing counts to achieve mixed-use goal.

COYOTE VALLEY SPECIFIC PLAN

- 600-800 Firms to accommodate 50,000+ Industry Driving Jobs
  - Accommodate Big Parcels
  - Suburban/Bucolic Feel- (Past Industry interest in Coyote)

- KEEP MOST Industry Driving jobs in big blocks

- WHY BIG BLOCKS
  - Original Concept was 50-acre minimum
  - Large User – Deal Driven
  - Preserve Big Blocks
  - Bio Tech Criteria
    - 1000 ft from residential/children
    - 800 ft from creek
    - Distance vertical to groundwater

COYOTE VALLEY SPECIFIC PLAN

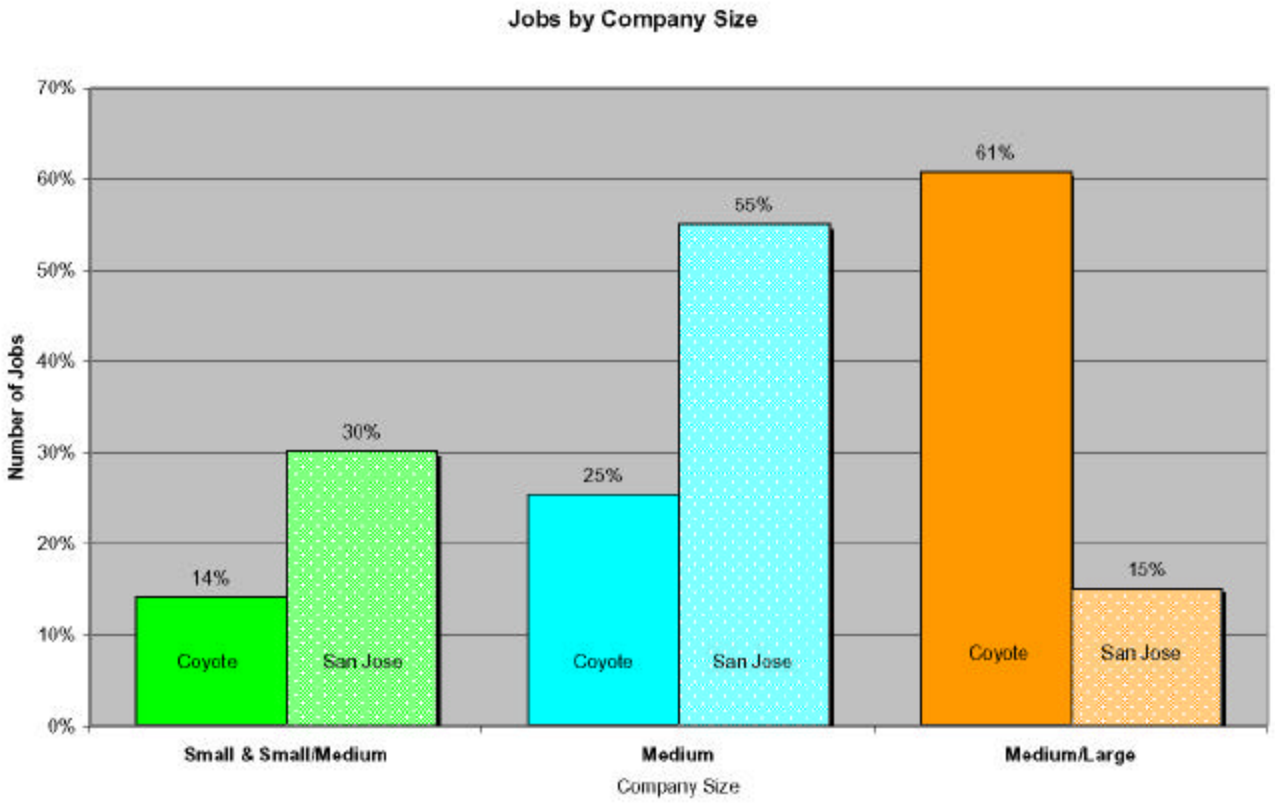
- The CAMPUS
  - Academic
  - Individual Corporation
  - Multi-Corporation (exit strategy)

- EASIER TO SUBDIVIDE THAN ASSEMBLE
  - Flexibility
  - Likely To Go Toward Smaller Users/Finer Grain (Based on city statistics and planner belief)
  - Encourage More Integrated, Urban, Finer Grain

- ACCOMMODATE SURFACE PARKING
  - Encourage structured parking

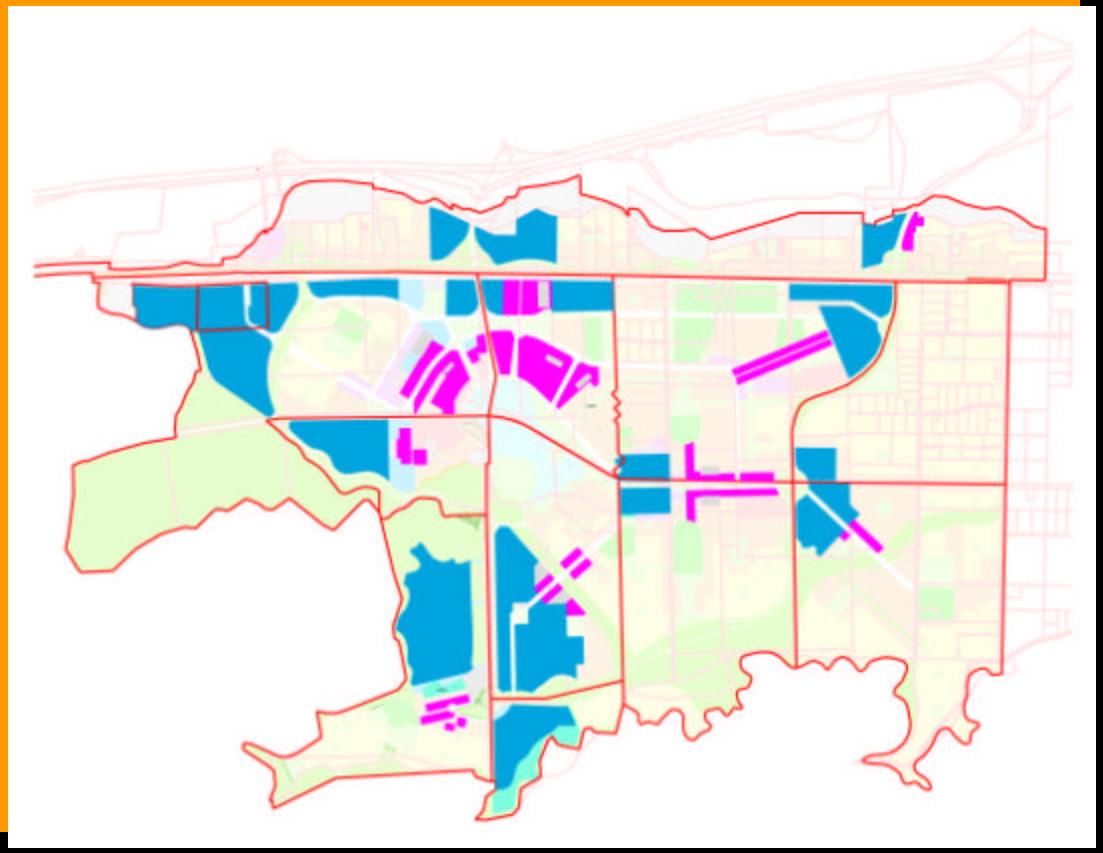
- Encourage “Not So Purpose Built” Building
  - Exit Strategy
  - Changing Uses

COYOTE VALLEY SPECIFIC PLAN



COYOTE VALLEY SPECIFIC PLAN

Workplace Alternative 1

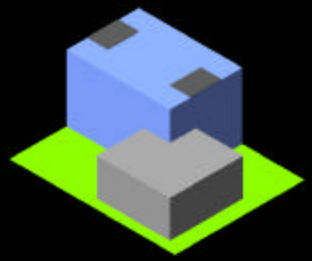


Expand work area to accommodate an average FAR of .55

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

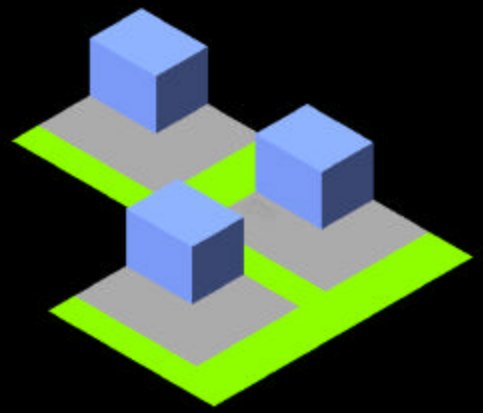
ECONOMIC DEVELOPMENT STRATEGY



25% x F.A.R. 1.0

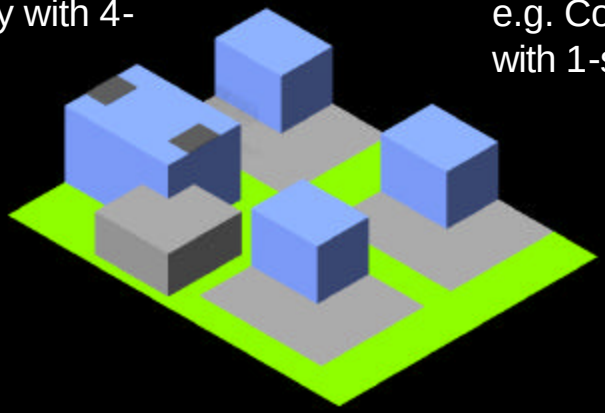
e.g. Corporate/Tech (4-story with 4-story parking)

+



75% x F.A.R. 0.4

e.g. Corporate Tech office (4-story with 1-story parking)

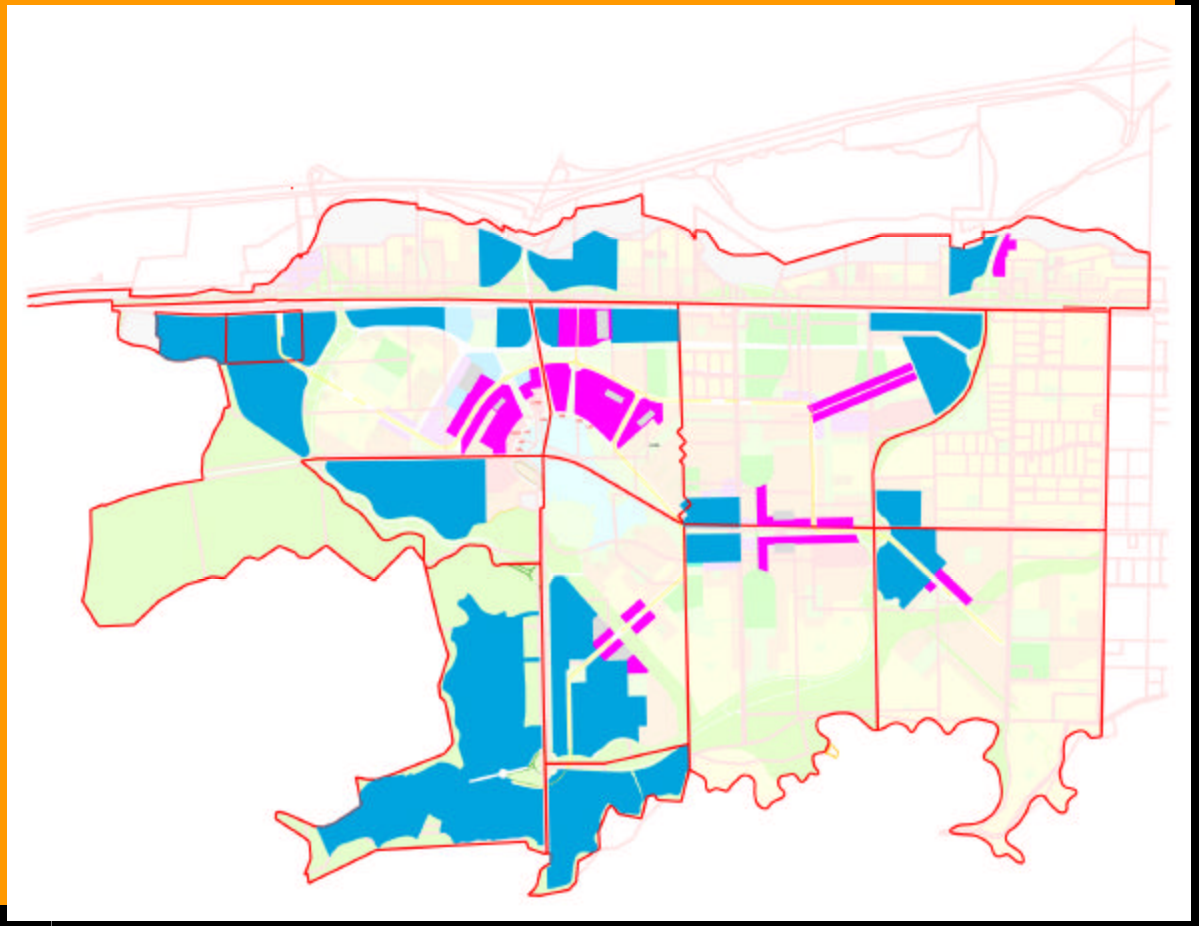


= F.A.R. 0.55

Weighted Average F.A.R.

COYOTE VALLEY SPECIFIC PLAN

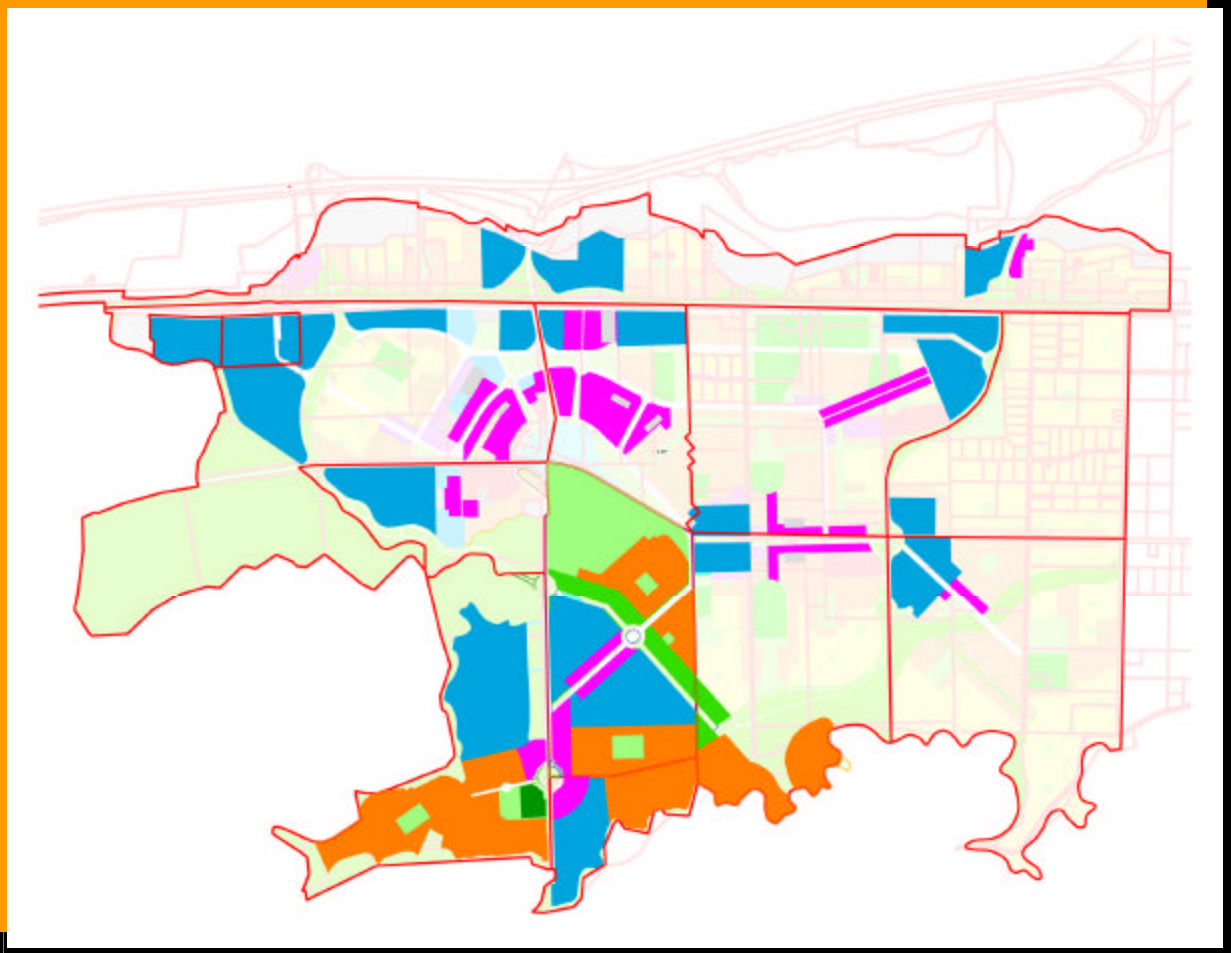
Workplace Alternative 2



Make IBM and Xilinx and most of Cisco 100% employment

COYOTE VALLEY SPECIFIC PLAN

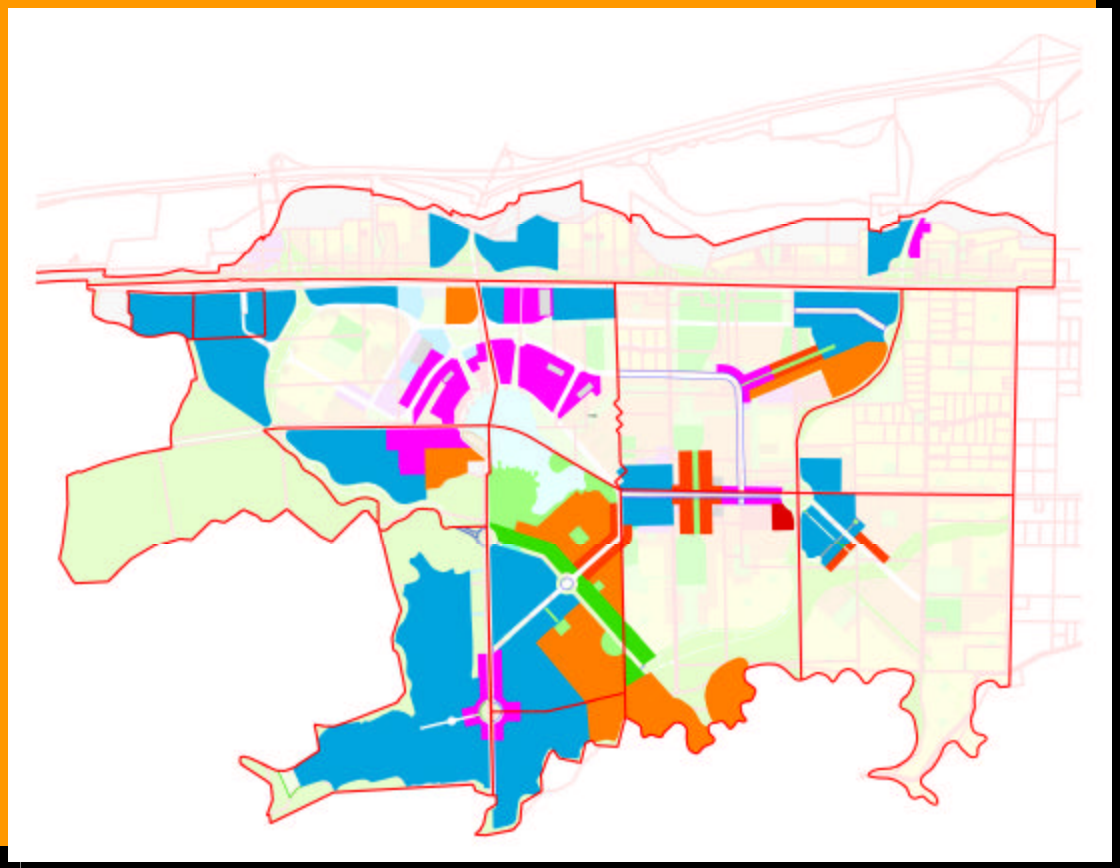
Workplace Alternative 3



Shift the Parkway to follow Fisher Creek and expand the residential neighborhoods in IBM and Xilinx property

COYOTE VALLEY SPECIFIC PLAN

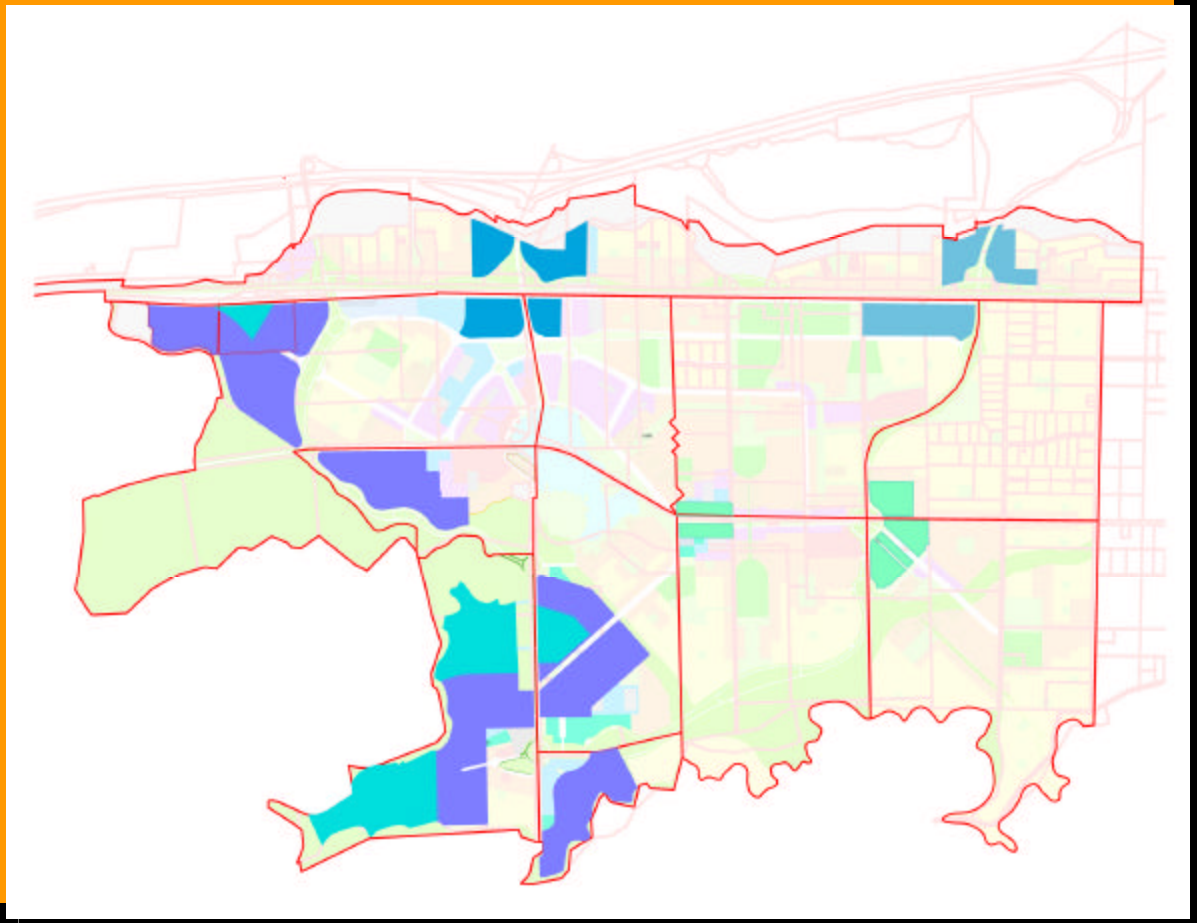
Workplace Alternative 4



Increase employment in IBM and Xilinx with small employee serving mixed use core

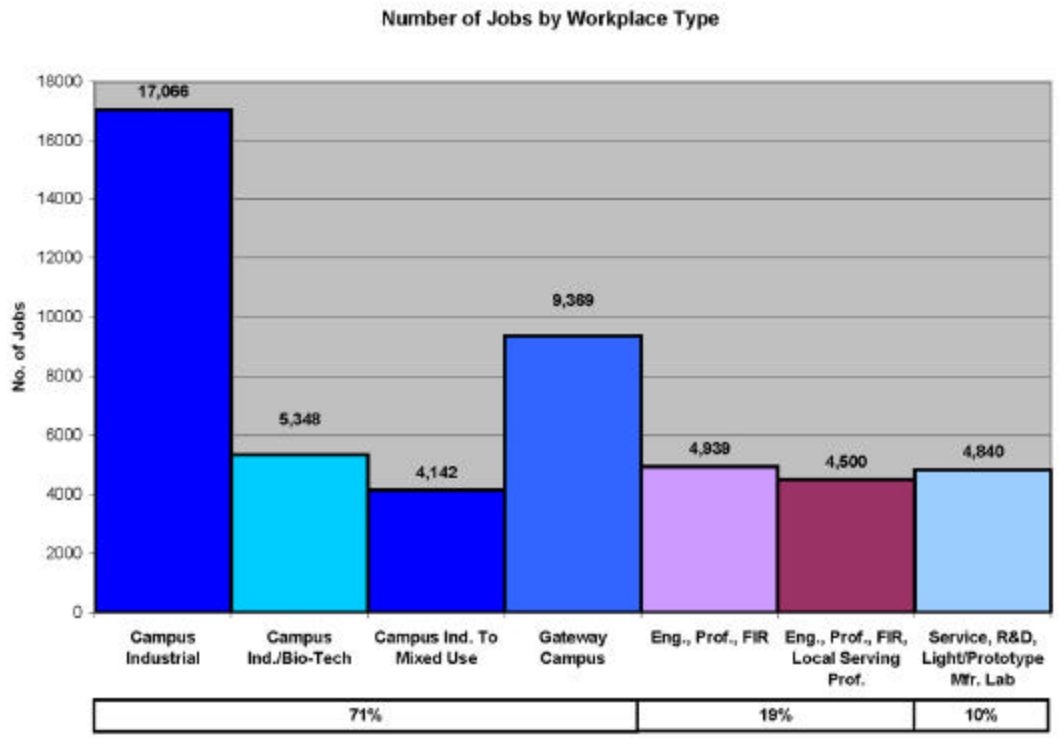
COYOTE VALLEY SPECIFIC PLAN

Workplace Alternative 5



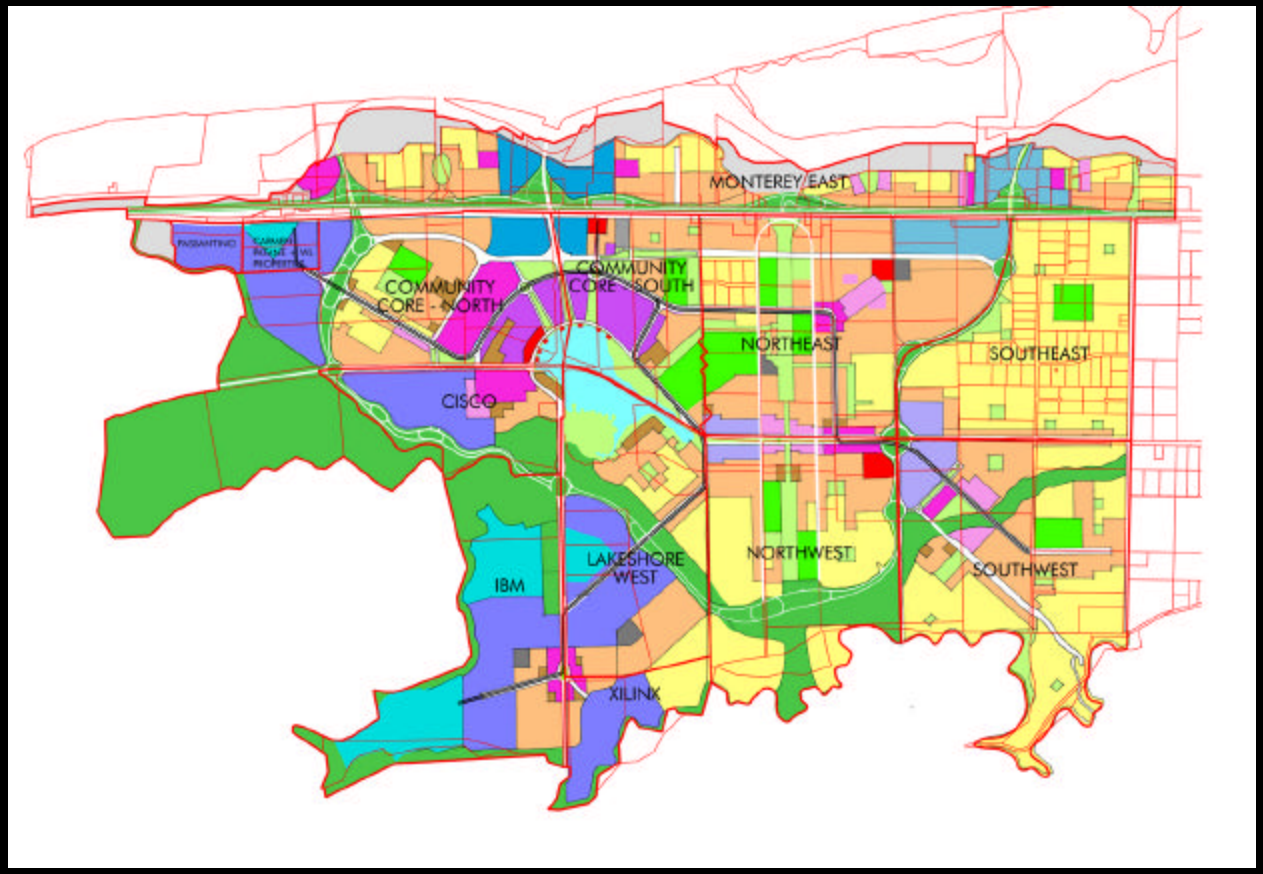
Accommodate a mixed use district within IBM and Xilinx property to focus on housing and services for young recruits

COYOTE VALLEY SPECIFIC PLAN



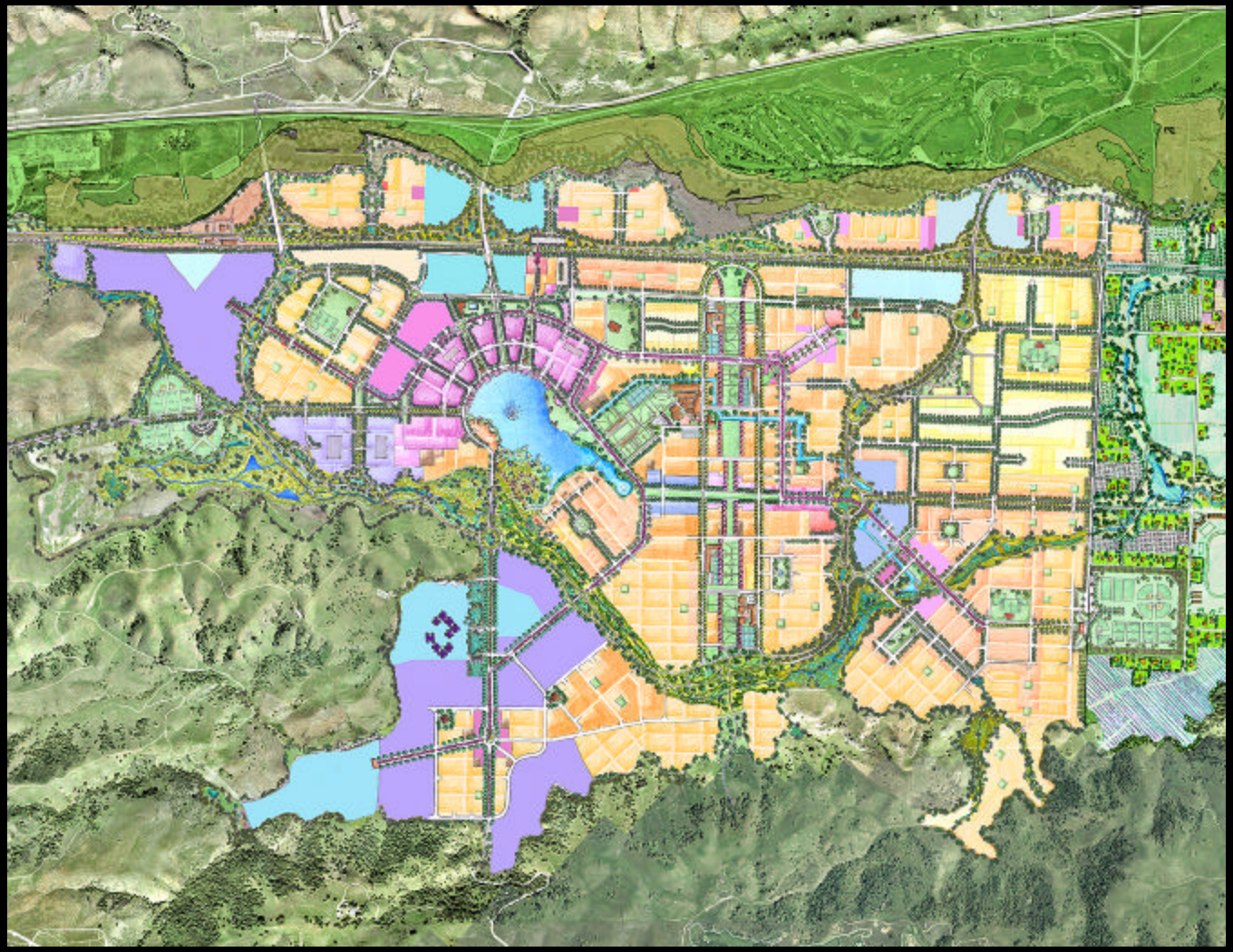
COYOTE VALLEY SPECIFIC PLAN

WORKPLACE & OVERALL LAND USE



COYOTE VALLEY SPECIFIC PLAN

WORKPLACE & OVERALL LAND USE



COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY

Today's Bad News

From 1993 through 2000, Silicon Valley's fourth major wave of innovation—commercialization of the Internet—and a sustained national and international economic expansion brought strong growth in jobs, income, and revenue to San Jose and other communities in the area. The San Jose metropolitan area added 282,000 jobs, and the unemployment rate fell below 2%.

Since the beginning of 2001, the San Jose metropolitan area has lost more than 200,000 jobs. This situation has raised a tremendous amount of concern about the region's ability to regenerate.

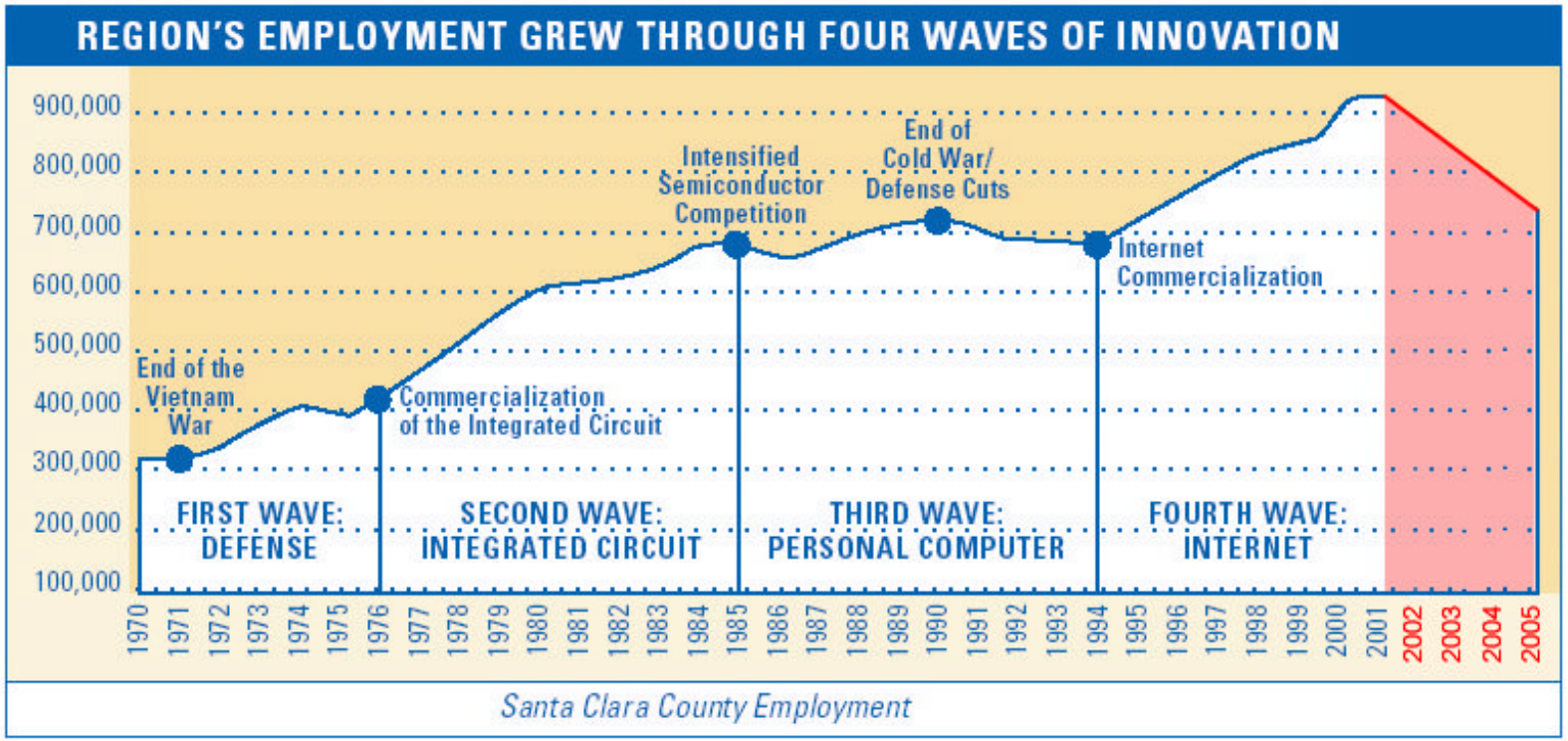
San Jose's City leadership viewed the downturn as the ideal time to develop an economic strategy that can help guide policies, projects, and investments for the next five years.

Silicon Valley has 54.9 million square feet of vacant space. Of this, 20 million square feet is estimated to be functionally obsolete vacant space (i.e., "tear down space") that is not likely to ever lease again. (Note: this does not include occupied buildings.)

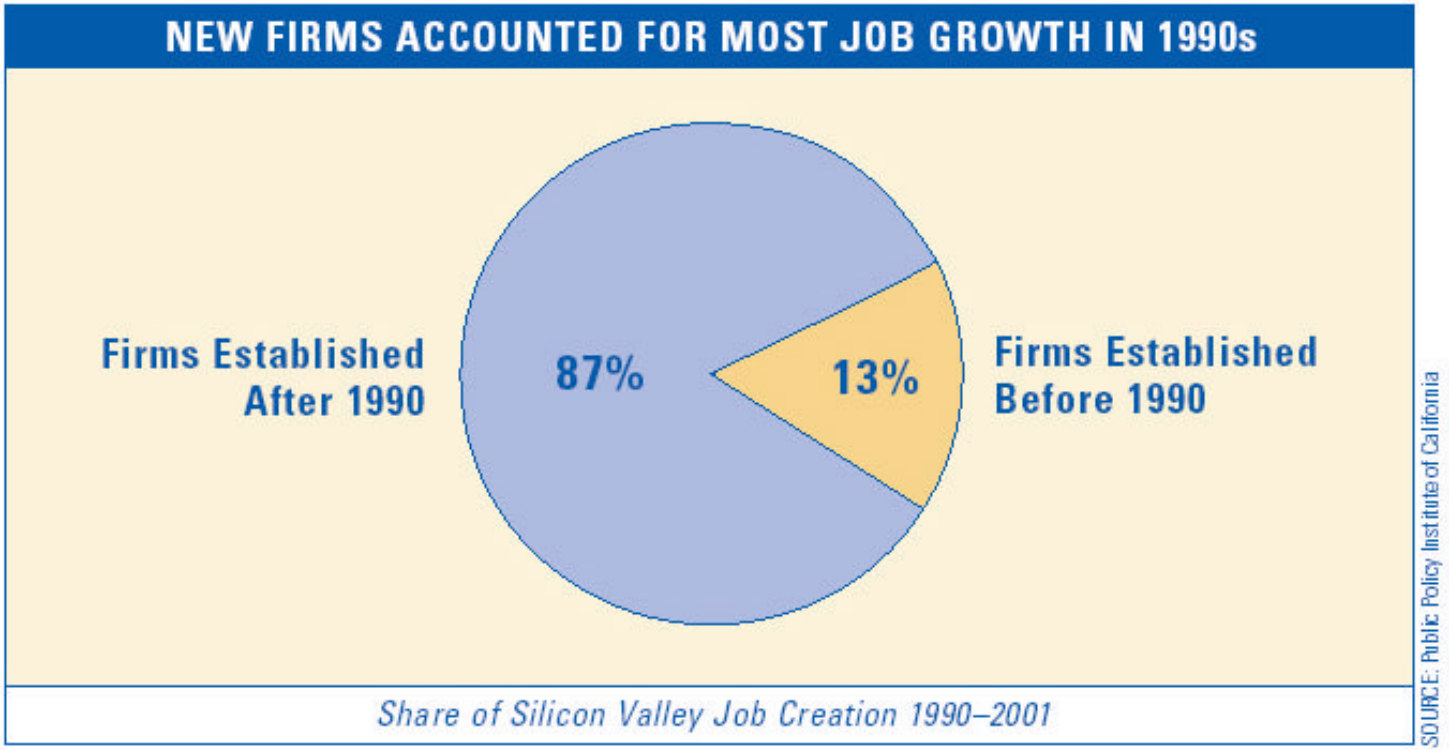
COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY



The Base of the Next Wave



COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY

The Base of the Next Wave

San Jose/Silicon Valley no longer has a clear monopoly on technical talent and innovation. We need to view our community as a player in a global network where other communities are carving out their niche. We are no longer the unrivaled center of the high-tech universe, but we play a unique role in a network of technology regions.

THERE IS NO MONOPOLY ON TALENT AND INNOVATION

Other Regions with Concentrations of Technical Talent

Perceptions

We may see new occupations linked to leadership of global businesses. Though we may lose jobs to regions with lower cost structures, we may develop new occupations and skill sets in areas like global R&D management, global logistics, or global sales and customer support.

"You can't get all the talent in the world to move to Hyderabad. You can get them to move to Silicon Valley."

—Steve Ballmer
Microsoft

Companies Constantly Question Our Community's Value-Cost Proposition

Because they have other location options and face pressure to control costs, companies within Driving Industries constantly reevaluate San Jose/Silicon Valley's value proposition as a business location. This reevaluation is especially true for established firms.

To stay competitive as a community, companies must perceive that the advantages of operating in San Jose—in terms of productivity and innovation—outweigh the cost disadvantages. Cost disadvantages include both direct costs (labor costs, real estate costs, taxes and fees) and transactions costs (traffic congestion, recruiting costs, permit uncertainty and delay).

Perceptions

"San Francisco is widely understood. Stanford is understood. The Silicon Valley phenomenon is understood. But San Jose is not understood by many—even those who should know better."

Urban lifestyle only emerging—Companies report difficulty attracting in nontechnical talent to commute or live south of Palo Alto. They report a perception that San Jose has little to offer people who aren't strictly into technology or suburban family living.

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY

Perceptions

DRIVING INDUSTRY PERCEPTIONS OF SILICON VALLEY

Advantages	Concerns
Geographic concentration of technology companies	High labor costs because of high housing costs
Venture capital	Traffic congestion, and incomplete transit network
Technology innovation and entrepreneurship	California-specific regulatory costs
Breadth and depth of technology expertise	Unstable, expensive energy supply
Global "best and brightest," experienced talent	
Research institutions	

Source: City of San Jose, interviews with 50 employers

Perceptions vs. Corporate Criteria

Technical Talent Is the #1 Requirement; Housing Cost Is the #1 Deterrent

Companies within Driving Industries say that their top requirement for future success in San Jose is the ability to attract, retain, and develop the best technical talent, especially engineers.

Companies need a steady stream of young talent and to attract and retain technical superstars. Even in times of economic downturn, companies compete aggressively for top talent—technical as well as managerial.

The primary deterrent to attracting and retaining needed technical talent is our area's high cost of housing. According to numerous executive polls, the affordability of housing—especially ownership housing—deters talent from moving here and raises salary requirements that companies must pay. People also have concern about other quality-of-life factors, especially K–12 education and traffic congestion.

Quality of life is also important for entrepreneurial vitality and the start-up of new firms. Previous research has shown that a primary factor determining a high-tech start-up's location is where its founder would like to live (Cooper and Folta, 2000).

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY

San Jose's Workplace Vision

VISION FOR SAN JOSE

As the **Capital of Silicon Valley,** *and the largest city in the world's leading region for innovation,* San Jose is…

- **A Global Gateway,** a cosmopolitan, international city for leading businesses and talent from around the world
- **A Creative Community** that pioneers innovation within and across technology and business, culture and society
- **An Entrepreneurial Environment** where people from all walks of life start and grow companies that achieve their dreams
- **A Tech-Savvy City** that uses and showcases technology to improve daily life
- **A Place of Opportunity,** where residents find a range of rewarding employment opportunities and support to participate in the economy
- **World's Most Livable Big City,** with diverse and distinctive qualities of life!

San Jose's Workplace Vision

GLOBAL BUSINESS MODEL: 2003+

Business Function	San Jose/SV Role	Other Regions Internationally
Strategy/Leadership	Start-Up Headquarters	
R&D	R&D leadership/project mgmt. Cutting-edge, creative R&D Front-end design/architecture Prototype development/ engineering	Well defined, routine R&D/engineering Software development Chip design centers
Manufacturing	Sophisticated light assembly Prototyping linked to engineering Internal "boutique" fabs	Routine production, assembly, test Electronic systems, subassemblies Contract chip foundries Chip test/program
Marketing & Sales	Marketing/sales leadership High-end customer care Face-to-face interaction with local HQ	Telemarketing/Internet marketing Regional marketing/sales/distribution close to customers
Customer Support/ Business Operations	Operations suppliers/services outsourced locally	Business back office Customer support Technical support Routine HR/finance/admin

SOURCE: City of San Jose, based on 50 employer interviews

Regeneration

"Creative Destruction" Is the Norm

Our Driving Industries operate in a world of continuous, unpredictable, often volatile change. Nothing is fixed or certain. Successful companies constantly adjust to changes in markets, technology, and competition. They change, advance, and decline at a very fast pace. Tremendous creativity and destruction occur side by side within companies, industries, and our overall economy. Companies expect that this dynamism will only increase in the future.

Consider the following findings from the Public Policy Institute of California:

- 87% of the region's job growth in the 1990s came from firms that did not even exist before 1990.
- Almost 46% of firms that started in the 1990s were out of business by age ten years.
- Of the 40 largest tech companies in Silicon Valley today, more than half did not even exist in 1982.
- Only 4 of the 40 largest tech companies in Silicon Valley today were on the Top 40 list in 1982.

"At any given time, 75% of our people are working on tomorrow's revenues."

—CEO, fabless semiconductor firm

- We should expect constant, unpredictable change. We will not have a fixed set of industries, companies, and jobs.
- High rates of business start-up and closure will go hand in hand.
- The City must be timely, responsive, and flexible in our interactions with industry.
- The City should provide certainty wherever possible, to counter companies' uncertain world.
- Our community's long-term advantage must be adaptation.

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY Innovation

New Waves of Innovation Are Possible

San Jose, Silicon Valley, and the Bay Area have the opportunity to benefit from a next wave of innovation and entrepreneurship. This next wave could generate more venture investment, companies, and, ultimately, jobs.

Several specific opportunities emerge from our region's current areas of technology expertise, both within companies and in universities and research institutions.

Coyote Valley will be totally wireless

- *"Build Out" of the Internet, especially mobile and wireless Internet access*—Strong signs suggest deepening of information and communications technology as we move past the first phase of the Internet to the mobile Internet.

Smaller local serving software companies

- *Software middleware and enterprise applications*—We can expect continued advances in software middleware and applications that help people and organizations reap productivity advantages from the Internet.

Designate safe biotech sites in Coyote valley

- *Bioscience*—Across the Bay Area, drug and diagnostic companies are moving through their life cycles from R&D to commercialization. Biotechnology and pharmaceutical industries are converging to bring more drug and health products to growing markets. Demand for manufacturing and commercial capabilities will increase.

- *Convergence of information technology and biotechnology*—Major advances in biotechnology can intersect with information technology and create new commercial opportunities in areas like individualized medicine, bioinformatics, biomaterials, biochips, and biologically based computers. Medical devices (bioengineering) require a multidisciplinary talent pool suited to Silicon Valley expertise—biologists, computer scientists, engineers, chemical and physical scientists.

COYOTE VALLEY SPECIFIC PLAN

WORKPLACE STRATEGIES

ECONOMIC DEVELOPMENT STRATEGY Innovation

New Waves of Innovation Are Possible

- *Nanotechnology*—The eventual commercialization of nanotechnology could result in revolutionary product innovations across a range of industries, including computer and chip manufacturing.
- *Convergence of information technology and art/design/media.* Product innovation at the intersection of computer science and the creative arts, including design and media, is growing. This growth builds on advances in the 1990s in areas like computer graphics, computer-aided design, computer games, digital video, new media, virtual environments, and electronic publishing, to name a few. Creative interaction can result in new products, companies, industries, and cultural experiences.

Our region's ability to harness these waves depends on recognizing new realities, redefining our role, and renewing our strengths.

Direct market to a venture capital firm in Coyote Valley town center

Venture-backed start-ups and research institutions will play important roles in driving innovation in next-wave fields. To date, San Jose has not had even a proportional share of venture-backed start-ups, relative to its population and job base. Through the 1990s, only 20% of the region's venture-backed firms were based in San Jose. And, of the 191 companies that received venture investment in the first half of 2003, only 17 were in San Jose.

Gavilan??..Perhaps an East Coast Ivy League or Foreign Institution

The leading Bay Area research institutions pioneering work in nano-, bio-, and info-technology are not in San Jose. These institutions include Stanford University, NASA Ames, University of California-Berkeley, University of California-San Francisco, SRI International, and Lawrence Livermore National Laboratory. San Jose State University is becoming more research-oriented and has world-class expertise in niche areas.

COYOTE VALLEY SPECIFIC PLAN

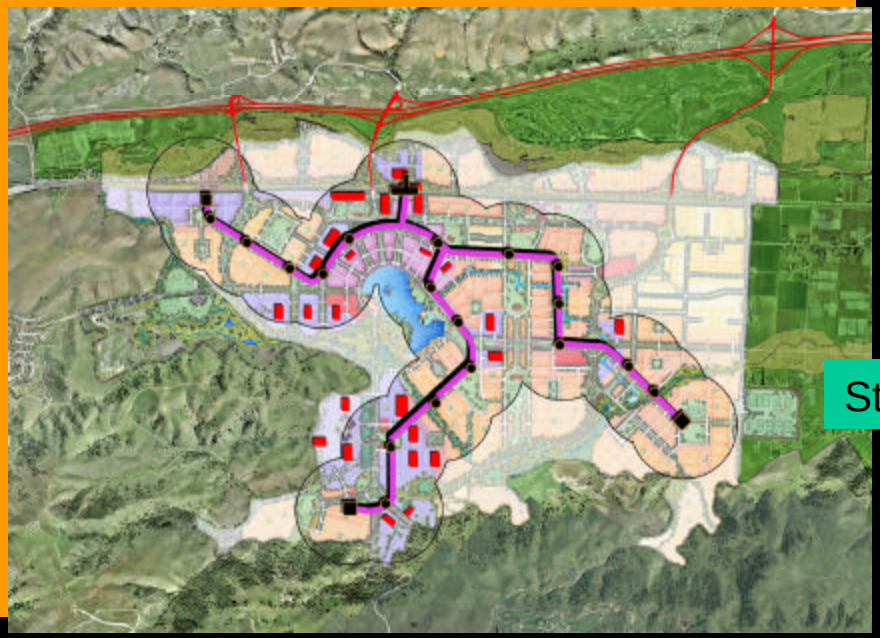
LAND USE INTENSIFICATION STRATEGY

Intensify workplace by using structured parking to allow a greater proportion of family housing

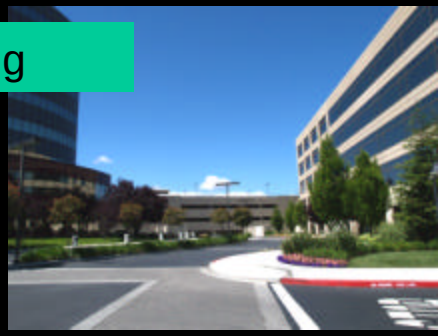
COYOTE VALLEY SPECIFIC PLAN

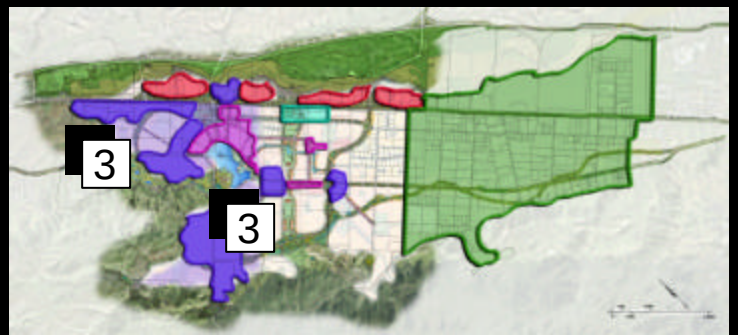
LAND USE INTENSIFICATION STRATEGY

Intensify workplace by using structured parking to allow a greater proportion of family housing



Structured District Parking





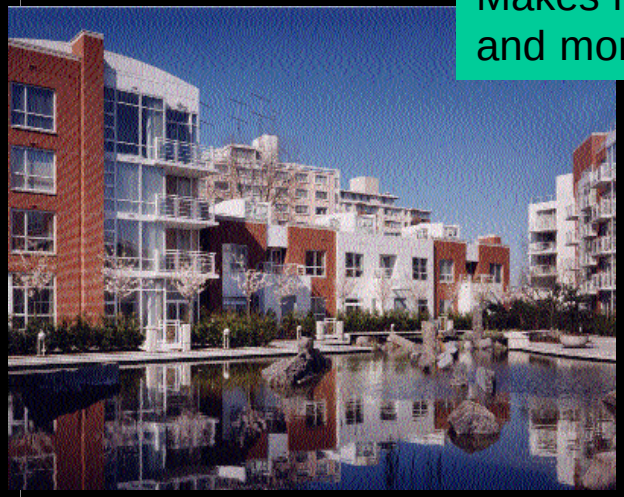
COYOTE VALLEY SPECIFIC PLAN

LAND USE INTENSIFICATION STRATEGY

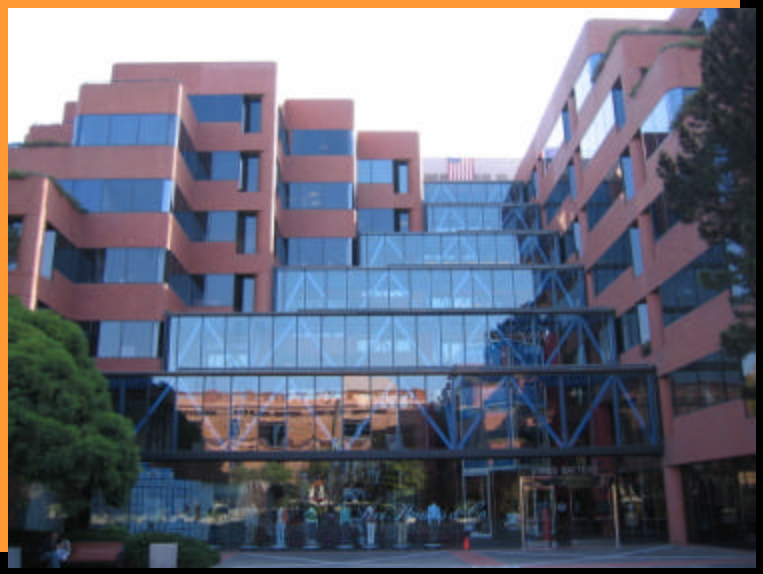
Intensify workplace by using structured parking to allow a greater proportion of family housing

Going from surface to structured parking

Makes room to do less high density and more family housing

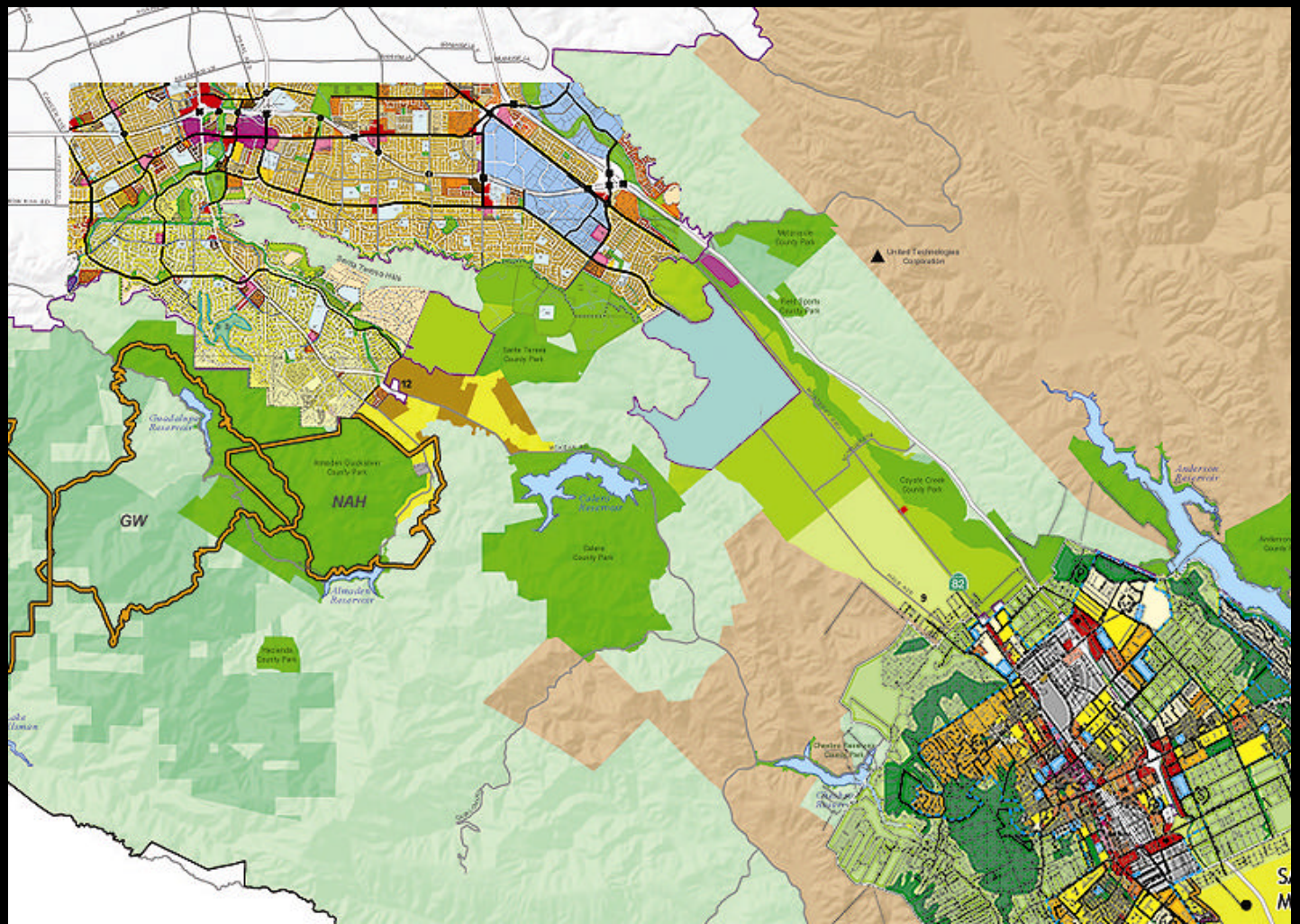


Levi's Plaza Example



GREENBELT STRATEGIES

- General Plans-Land Uses



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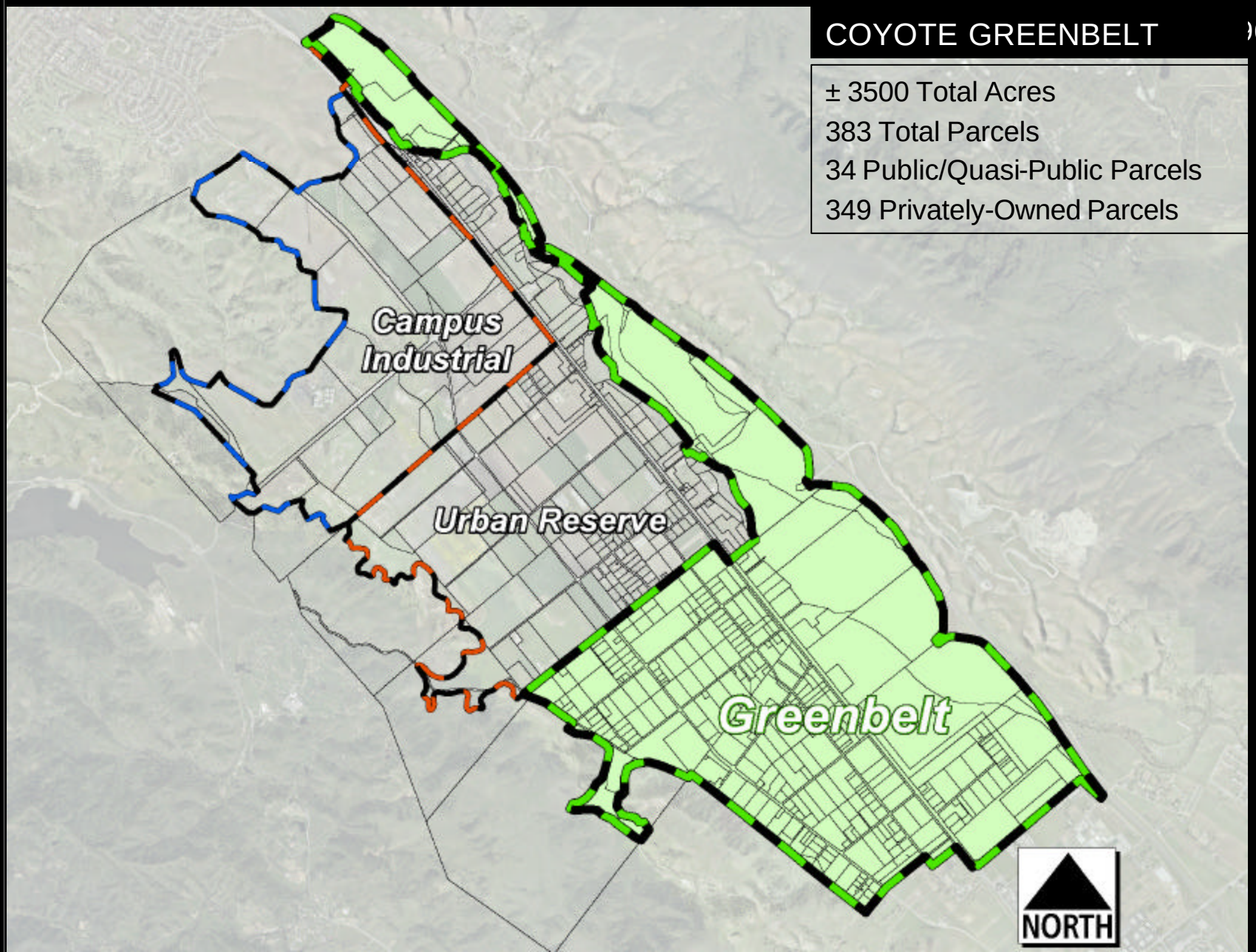

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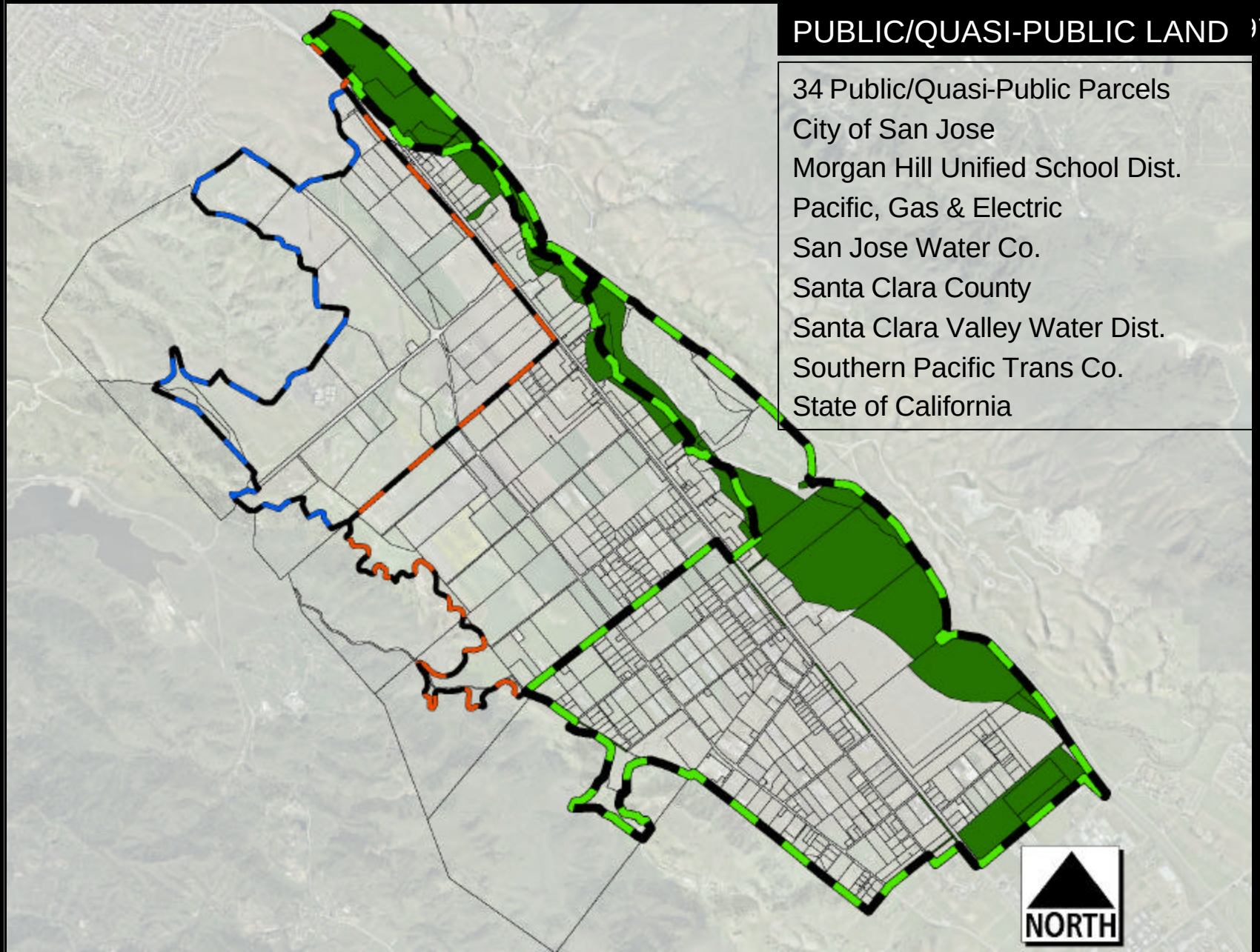

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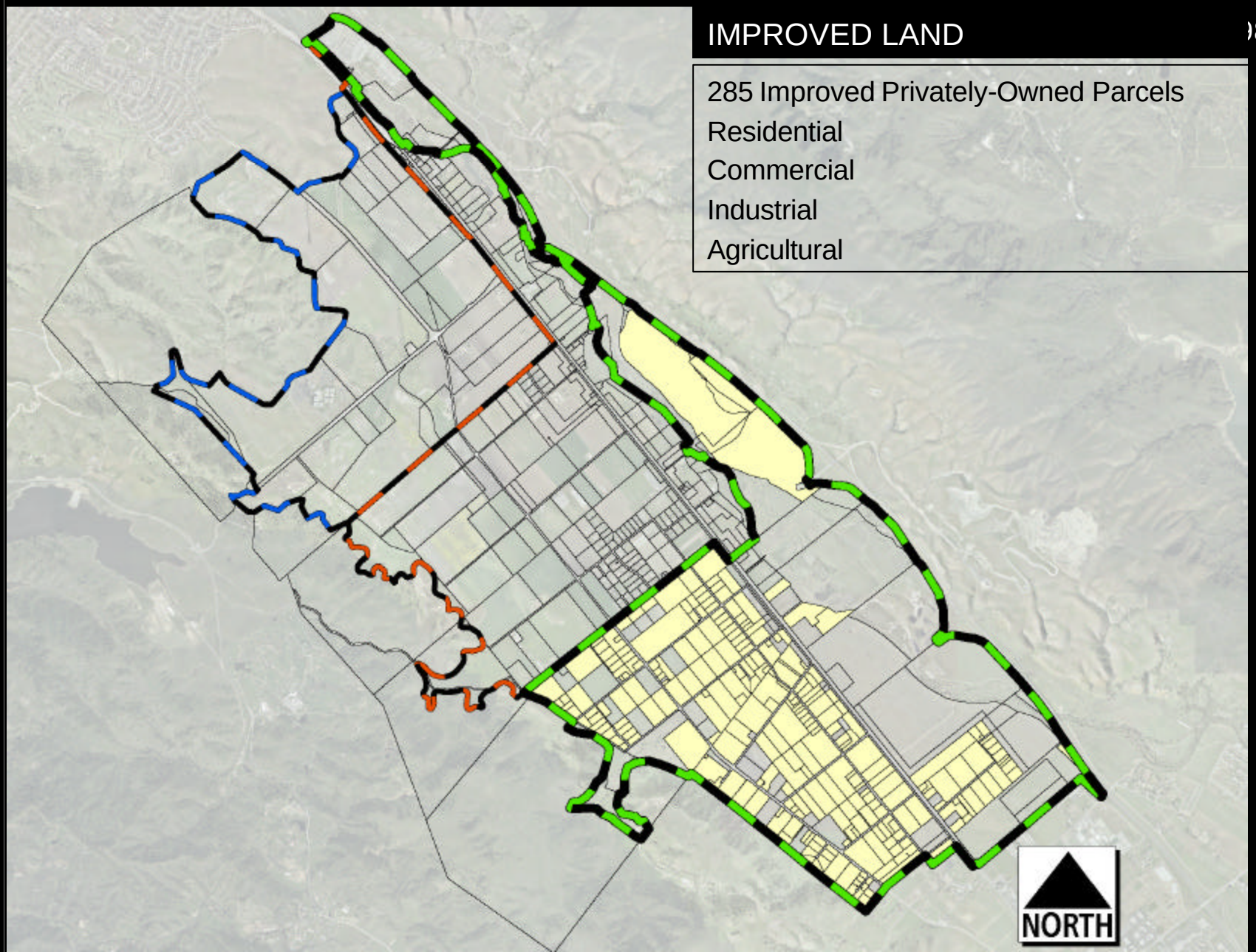

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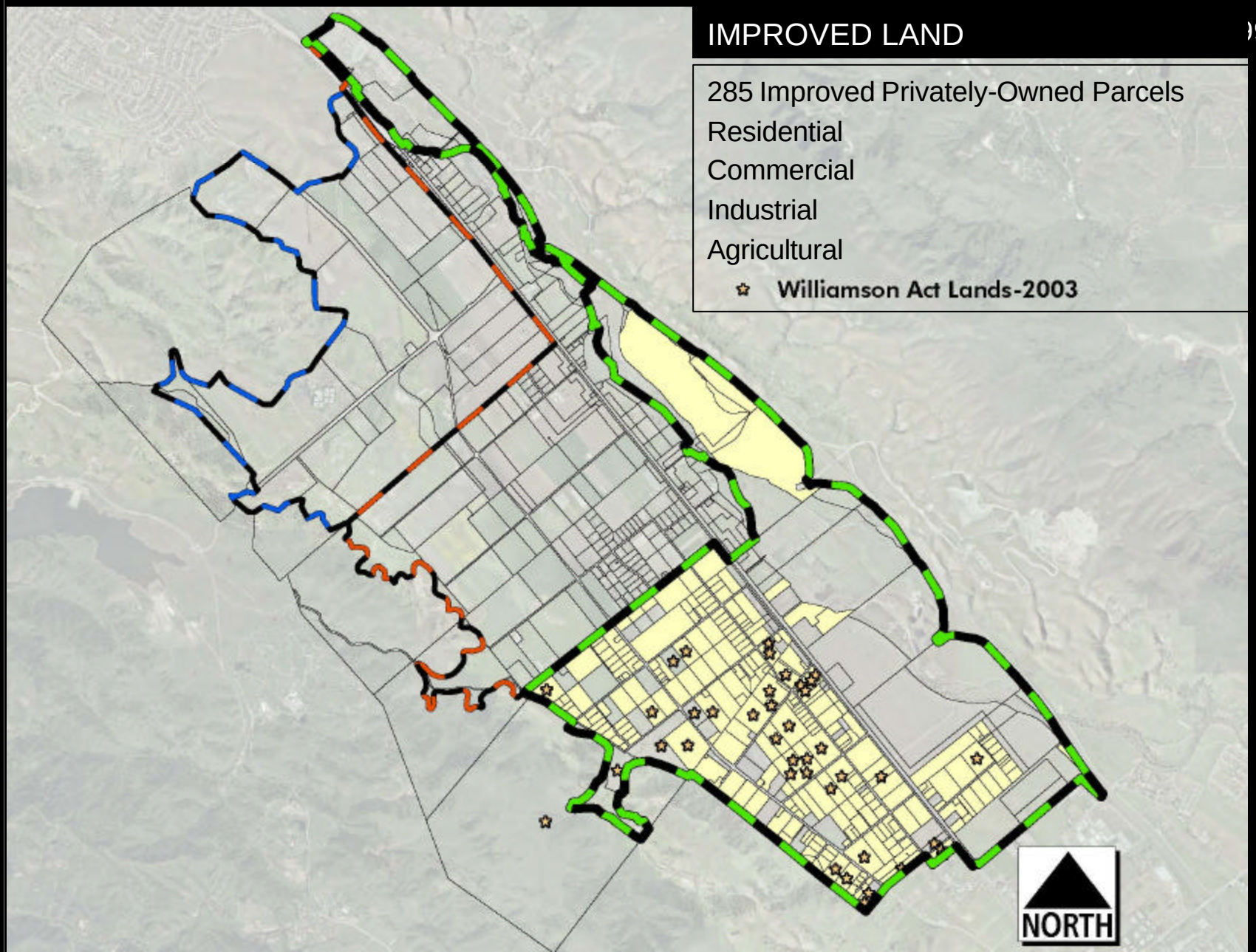

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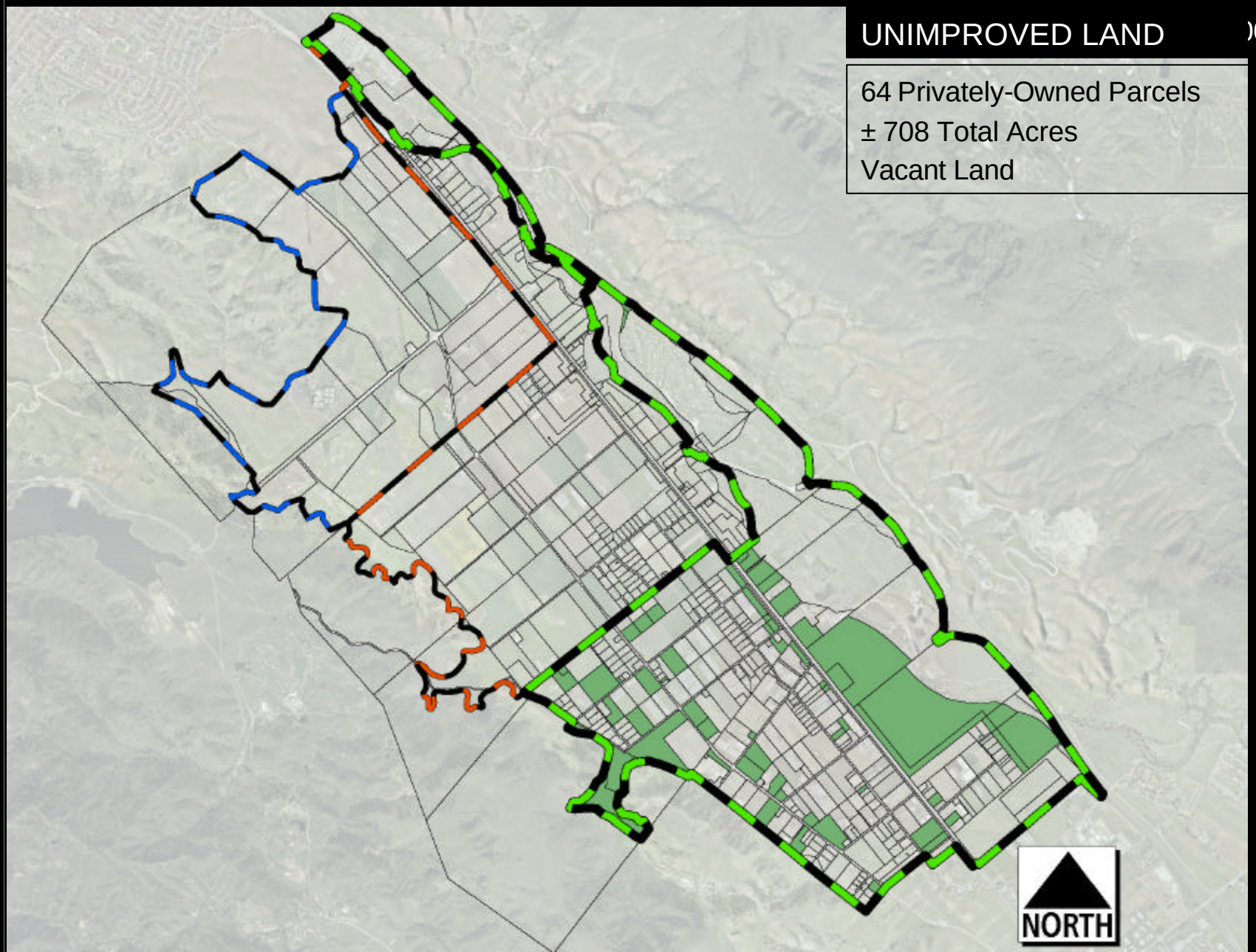

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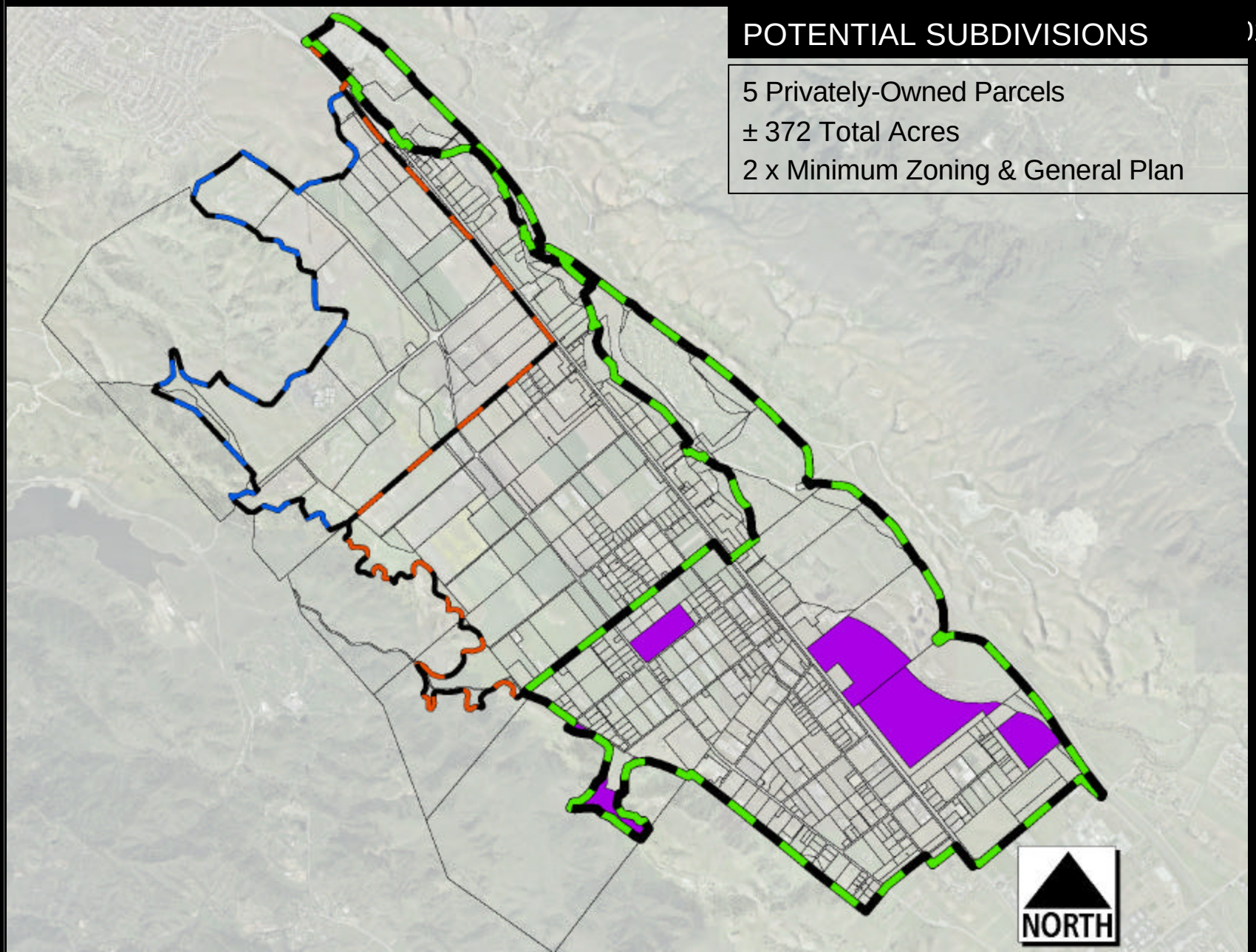
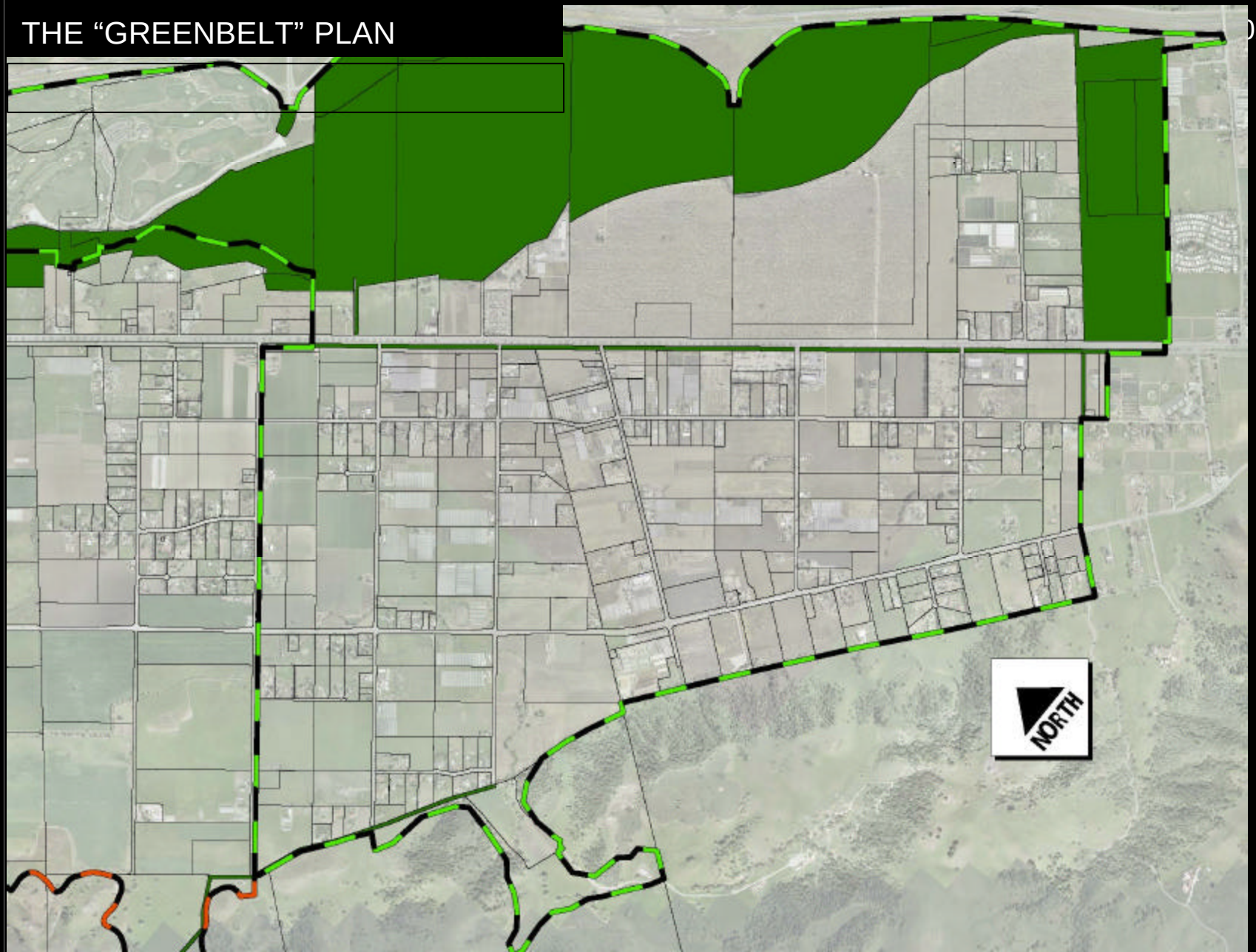


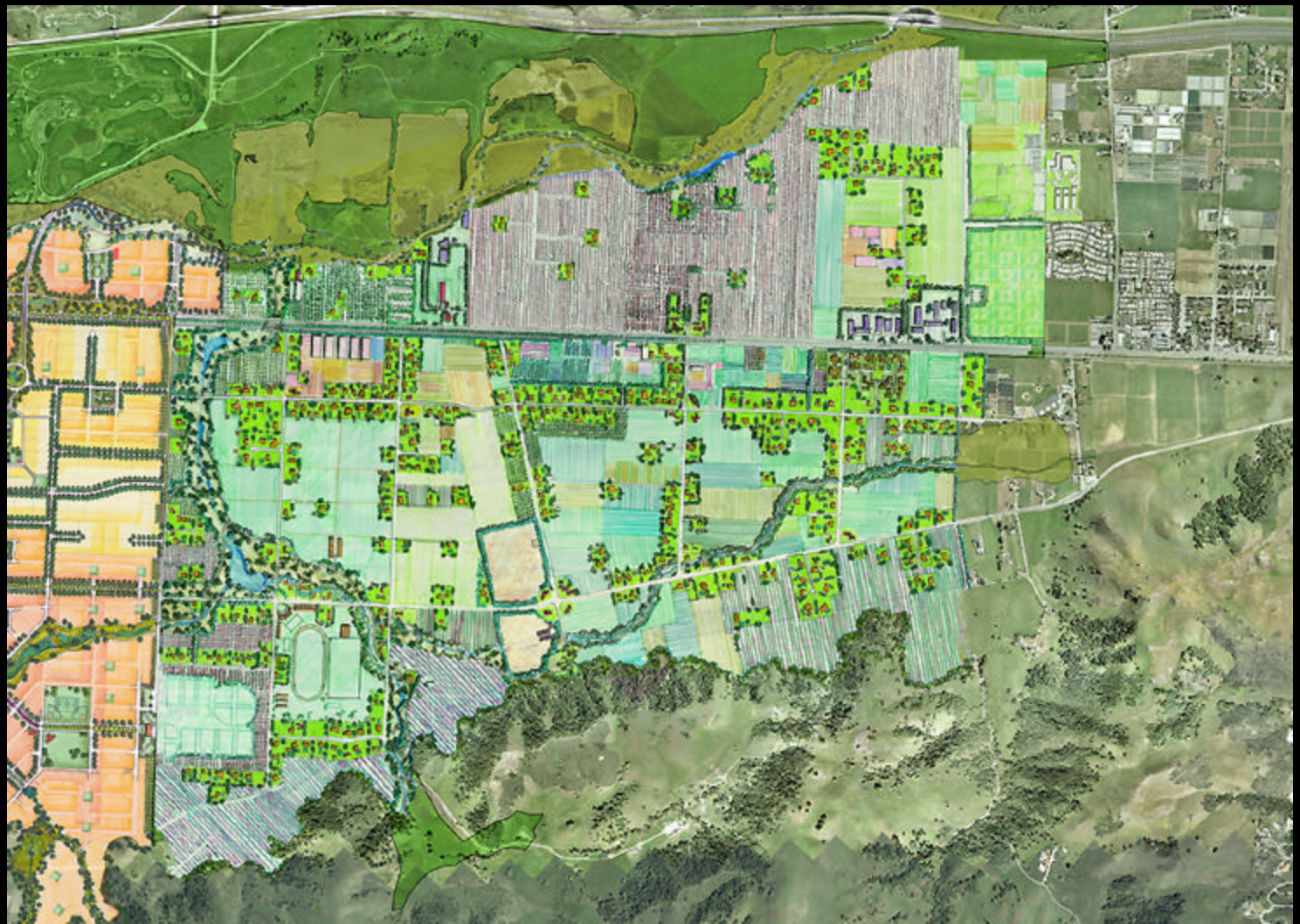
COYOTE VALLEY SPECIFIC PLAN

THE “GREENBELT” PLAN



GREENBELT STRATEGIES

- An Agricultural Land Use Concept



GREENBELT STRATEGIES

- Greenbelt Agricultural Land

AG. USE	ACRES
Orchard	347.4
Olives	25.4
Nuts	16.1
Vineyard	121.8
Animal Pasture	212.8
Equestrian	50.0
Turf	66.9
Flowers	35.1
Row Crop	339.7
Nursery	70.0
Christmas Trees	20.2
Mushroom	42.5
Education Agriculture	34.8
Subtotal	**1382.7**

AG. SUPPORT USE	ACRES
Ag. Industry	31.5
Veterinarian	18.2
Telecom	7.8
Farmworker Housing	17.9
Septic Field/Animal Feed	12.8
Ag. Enterprise/Homes	12.0
Church	2.8
Subtotal	**103.0**

Total Agriculture Land Trust	**1,485.7**

GREENBELT STRATEGIES

- An Agricultural Land Use Concept

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- An Agricultural Land Use Concept

GREENBELT STRATEGIES

- An Agricultural Land Use Concept

LAND USE STRATEGIES

- Workplace, Living, Culture, Recreation, Open Space, Agriculture